

## VII. Rights of Property.

### Property...its Historical Evolution in India. -

1. **Joint Family.** There is no ownership in goods as long as there is an abundance of these and all of them owe their existence to nature. Every one can make himself merry with whatever portion he or she chooses. But as soon as human labour or human skill or human valour enters into the situation, the idea of property arises. What we therefore notice in the earliest records is that the horde as it moves on either takes possession of unoccupied land or regularly expels or enslaves the original occupants and conquers it. This establishes the proprietary right of that tribe. We read in the Vedas of battles for the conquest of fields, cattle, and other booty. The booty was then distributed in shares. "Grant him the king a share in village, horses and cattle."<sup>1</sup> The tribes were or-

ganized under their regular leaders who would naturally distribute the spoils among their followers " From the height of sovereignty do thou terrible one, give us a share in goods " There is little doubt that private property was well established in the time of the Rigveda. A lady prays for the growth of hair on her father's head and of corn produce on her fields. A gambler is asked to cultivate his field. We also read of the measurement of fields which implies the existence of private property.

The next question is what was the fundamental unit of society—the clan, the family or the individual? Dr Schrader thus summarizes the results of his investigations " The Indo-European family is best conceived as resembling the Roman *Familia* i. e. as consisting of the women, children, and slaves under the *potestas* of a single housemaster. The agnatic exclusiveness of the Indo-European family regards those outside it, and the despotic power exercised within its limits by the man over his wives and children has already been described. Such a house-community consists of a body of six or seventy members, who are blood-kin on the second or third degree of course only on the

male side. At their head is a house-administrator who is indeed paid the greatest respect, but who is not to be regarded as the master and owner of the family property, like the Roman *pater familias*. The family property is rather the joint property of all the adult male members of the household...Meals are taken in common. The men eat first, then the women consume what is left...When the house-father died, all his rights went to the eldest son especially were the women of the family, the mother and the sisters, under his guardianship. This seems to have been the ancient Indo-Germanic system.'<sup>2</sup>

Mother, father, parents—herein are three stages of the history of family development. As long as marriage did not assume a rigid form, some sort of promiscuity might have reigned; and it would be difficult in such circumstances to distinguish the children by the father's name. There is not much historical evidence for this view: but certain passages in ancient writing show this to be not altogether impossible. In a particular sacrifice, the priest has to enumerate the *patres* of the father, grandfather, and great-grandfather, as well as of the son, grandson,

( 4 )

and great - grand - son of the sacrificer. The reason given is interesting. "Women are of disorderly conduct. He, the sacrificer, here before divine and human witnesses, declares after mounting the sacrificial car the names of those whose descendants he is as well as the names of those whom he calls his own descendants, lest king Soma may mount his car (and not come down)." The following story from the Chhandogya has perhaps a similar moral. Satya kama Jabala enquired of his mother Jabala : "I long to abide (by a tutor) as a Brahmacharin; of what gotra am I?" She said unto him, "I know not, child, of what gotra you are. During my youth when I got thee I was engaged in attending on many...I know not of what gotra you are; Jabala is my name Satyakama thine; say, therefore of thyself Satya kama, son of Jabala."

The Mahabharata also alludes to an early existence of a state of promiscuity prior to the institution of marriage. Here is an attempt at tracing the evolution of marriage. "Women were not formerly immured within houses and dependent on husbands and other relations. They used to go freely enjoying as much as they liked. They did not

then adhere to their husbands faithfully, and yet they were not regarded sinful. That very usage is to this day followed by birds and beasts without any exhibition of jealousy. The practice, sanctioned by precedent, is applauded by great Rishis. The practice is yet regarded with respect amongst the northern Kurus. Indeed, that usage so lenient to women, has the sanction of antiquity. The present practice, however, ( of women being confined to one husband for life ) has been established but lately. I shall tell thee now in detail who established it and why. It has been heard by us that there was a great Rishi named Uddalaka. He had a son called Svetaketu who was also an ascetic of merit. The present virtuous practice was established by that Svetaketu in anger. Hear thou the reason for his anger. One day, in the presence of Svetaketu's father, a Brahmin came and holding Svetaketu's mother by the hand, told her- ' Let us go.' Beholding his mother seized by the hand and taken away apparently by force, the son moved by wrath, became very indignant. Seeing his son indignant, Uddalaka addressed him and said,- Be not angry, O Son ! This is the practice sanctioned by antiquity. Women of all orders in this world.

( 6 )

are free. Just as cattle are situated, so are human beings, too, within their respective orders. Svetaketu however, disapproved of this custom and established in the world the present practice both for men and women. "5

There is also that evidence of many individuals taking their name from their mothers. Thus Daityas were sons of Diti, Vainateyas sons of Vinata, Kadraveyas, sons of Kadru, Anjaneya, son of Anjana, Jabala, son of Jabala.<sup>6</sup> There are certain passages in the epics and Manusmriti which also place the mother above the father. "O foremost of all that are acquainted with the rules of morality, it is said that obedience to superiors is ever meritorious. Amongst all superiors, it is well known that mother is the foremost."<sup>7</sup> "An Acharya excels ten Upadhyayas, a father excels a hundred Acharyas, and a mother excels a thousand fathers in veneration."<sup>8</sup> "There is no duty higher than truth. There is no superior more worthy of reverence than the mother."<sup>9</sup>

It is an undoubted fact, however that at the time of the Rigveda, the patriarchal system was firmly established. The joint family under the guidance of the Elder: this was the

universal rule among the Vedic Aryans. " With sons and daughters by their side, they reach the full extent of life. " " Go to the house to be the household's mistress and speak as lady to thy gathered people. Happy be there and prosper with thy children here; be vigilant to rule thy household in this home. " I take thy hand in mine for happy fortune that thou mayst reach old age with me the husband. O Pushan, send her on as most auspicious, her who shall be the sharer of my pleasures; he who shall twine her loving arms about me, and welcome all my love and mine embraces. " " Be ye not parted; dwell ye here; reach the full time of human life, with sons and grandsons sport and play, rejoicing in your own abode. O Bounteous Indra, make this bride blest in her sons and fortunate; vouchsafe to her ten sons, and make her husband the eleventh man. Over thy husband's father and thy husband's mother bear full sway. Over the sister of the lord, over his brothers rule supreme. "11 Another beautiful picture of a joint family is given in the Atharva - veda. " Freedom from hate I bring to you, concord and unanimity. Love one another as the cow loveth the calf that she hath borne. One - min-

( 8 )

ded with his mother let the son be loyal to his sire. Let the wife, calm and gentle, speak words sweet as honey to her lord. No brother hate his brother, no sister to sister be unkind. Unanimous, with one intent speak ye your speech in friendliness... Intelligent, submissive, rest united, friendly and kind, bearing the yoke together. Come speaking sweetly each one to the other. I make you one-intentioned and one-minded. Let your drink, your share of food be common, together with one common bond, I bind you. Serve Agni, gathered round him like the spokes about the chariot nave. With binding charm, I make you all united, obeying one sole leader and one-minded."<sup>12</sup>

The joint family or the family joint in food, worship, and estate consists of a body of kinsmen—the ancestor and the descendants upto the third degree—who dwell under the same roof, hold common meals, offer common worship, and own and enjoy property in common. It is a small communistic society, where the ideal of every man or woman according to his or her needs, prevails to some extent. It is a single cultural unit sharing a common platform in joys and sorrows, in prosperity and adversity,



in economic pursuits, in social life and in religious exercises. It binds together in one thread three or four generations of men together. It is a corporation with unlimited liability. The elder member exercises the right of management as the representative of the family and administers the property as its accredited agent, for the common good of the family. "He enjoyed rights and undertook duties, but the rights and duties were in the contemplation of his fellow-citizens and in the eye of the law quite as much those of the collective body as his own."<sup>13</sup> The family groups, like corporations, are perpetual and inextinguishable. Individuals come and go; but the family survives. Successorship by survival is the rule; the right of each member depends on his or her birth and place in the table of descent. The original idea undoubtedly was that the individual had no right over any share of property while the family was joint, but he had a general right shared by other members over the whole family property. As the Privy Council points out, "According to the true notion of a joint undivided Hindu family no member of that family, while it remains joint, can predicate of the joint undivided property, that he,

( 10 )

that particular member, has a certain definite share...The proceeds of the undivided property must be brought, according to the theory of an undivided family to the common chest or purse, and then dealt with according to the modes of enjoyment by the members of the undivided family. "

This institution of joint family has a two-fold significance. It is favourable to the growth of certain virtues such as mutual affection and self-control. It is also conducive to the growth of a spirit of self-sacrifice. It imposes serious checks on a man's spirit of selfishness. In the West, it is the individual's own standard of comforts and activities, his own scale of wants which regulates his economic activity; in India the family is the unit and as such it regulates every man's activities, his wants, his comforts. The former system no doubt is very favourable to the spirit of individualistic competition; but the latter is more favourable to the spirit of healthy cooperation. The individual freedom, his personal likes and dislikes, his native fire and energy find a more favourable soil in the West; here in India the individual is often crushed by the burden of supporting a huge family : he has

often to give up to family what may be meant for mankind. Hence there are two different ideals which each one fulfils. The ideal of co-operation, of solidarity, of each for all and all for each, of the strong helping the weak, the young protecting and respecting the old, the old guiding and training the young, and of all jointly offering a common front to the good and the evil which the world may have in store for them is undoubtedly a noble ideal, if only the fundamental basis of mutual love and respect is there. Under the operation of this ideal, unchecked reign of competition with its inevitable tendency to send the weak to the wall is modified. The family protects the young wife, the helpless orphan, the decrepit old parents. The family is thus a mutual assurance society. It enables old healthy traditions and culture of the departing generations to be successfully embodied in the rising generations, and thus ensures the perpetuity of the hereditary skill, learning, trade and business secrets. Marriage becomes not a romantic affair between a boy and girl - a mere treat to the accidental fancies of young men and women, but a sacrament, a bond between the past, the present, and the future. A joint family of this

( 12 )

type is above all favourable to the ideal of agricultural production as well as other rural home industries. Agriculture would be ruined if each one does what he likes with his share of land. The whole family therefore has to be tied to the land; and its corporate interest secured in its cultivation and improvement. In the same way the joint family offers a favourable environment to the prosperity of a small business, and the practice of small crafts at home. There is mutual support and cooperation and the result is that work is better done in the congenial atmosphere of home.

But there is the other side to the shield. It was an eminently excellent institution under the old conditions of living. But when the bonds between man and man are relaxed, when the spirit of sweet reasonableness deserts the members of the family, then it ceases to be an organic union with a common animating spirit and life behind, but a mere conglomeration of atoms. It is then that we find the Hindu home to be a scene of distractions, wranglings, confusion. It is then that the idlers become mere drones, and the unproductive class a mere drag on the energetic and productive persons. It is

then that unchecked growth of population which it encourages brings on poverty and starvation. It fails to nourish and strengthen and develop the best that is in each : and each becomes a barrier to the other's growth and advancement ; and the result is all - round stagnation. Freedom and responsibility both perish together. To crown all, the Hindu system of inheritance and succession involving endless subdivision of land fills the country with a lot of 'uneconomic holdings : and the result is breakdown of agriculture. Individual initiative, personal energy, freedom to shape one's own destiny : these are the mainsprings of the economic prosperity of an individual as well a nation, and the institution which tends to crush these native springs of life in man and society has undoubtedly outlived its usefulness and is therefore doomed to eventual disappearance.

## 2. Land—from communal to individual holding.

A very controversial question in ancient Hindu economic thought and practice is the

( 14 )

two types of goods - the movable and the immovable. Movable property tends to be liquid very early : and in one way or another tends to pass from man to man, family to family, tribe to tribe. "Riches come now to one, now to another, and like the wheels of car are ever rolling."<sup>14</sup> But there was a degree of immobility with regard to land : this differentiated it fundamentally from other forms of property.

Certain passages in the Rigveda point to the existence of family property in land, and hence of separate holdings. Thus we read of the measurement of fields: "The Ribhus, with a rod measured as it were a were a field."<sup>15</sup> Apala thus addresses a hymn to Indra: "O Indra, cause to sprout again three places, those which I declare, - my father's head, his cultured field, and this the part below my waist. Make all of these grow crops of hair, you cultivated field of ours, my body, and my father's head."<sup>16</sup> Now the hair on the head is compared to a father's field: hence the possession must probably have been private. The epithet "winning fields," "lord of fields," also point to a similar conclusion.<sup>17</sup> In one passage fields and sons are spoken of in the same strain:

" For fertile fields, for worthy sons and grandsons. "18 The gambler also is asked to cultivate his field which also suggests a similar conclusion. The authors of the Vedic Index write: " There is nothing to show that community as such held land. What little evidence there is indicates that individual tenure of land was known; but this in effect, though not in law, presumably meant tenure of a family rather than of an individual person. "

True : but land could not be given away so easily as other property. We read in the Vedic that cattle, horses, slaves, clothes, jewels were given away. Thus a verse says: " Guerden bestows the bullock, Guerden bestows, moreover gold that glitters - Guerden gives food which is our life and spirit. "19 But there is no reference to a gift of land in the Rigveda. This was no doubt a very healthy sentiment, because agriculture required rules against land alienation. " The obvious reason is that the solidarity both of the family and the community bound by natural and tribal ties to the soil is essential to agriculture. A will or bequest, a sale of land to an outsider is opposed by the agricultural community in the interests of self-preservation.

( 16 )

tion. "20 " This special importance of land is evident in a verse which arranges lies in a hierarchy, a lie for an animal, a cow, a horse, a human being, gold, and land. " An untruth on account of gold ruineth the members of one's race both born and unborn, while an untruth for the sake of land ruineth everything. Therefore never speak an untruth for the sake of land. "21

The first breach was made in this doctrine of inalienability of land by the priest's doctrine that wealth was meant for sacrifices, and hence all property could be alienated, movable as well as immovable for religious purposes. A piece of land was given as a sacrificial fee to Brahmins in the Shatapatha; but it is at once added that the earth itself said — 'No mortal must give me away ! '22 Gifts of whole villages are recorded in subsequent literature "By giving away a piece of earth worthy of tillage, the giver attains to excellent prosperity."23 "The king who succeeds in making gifts of earth with such crops standing thereon as — sugercane, or barley, or wheat, or with kine, and horses, and other draft cattle, earth that has been won with the weight of the giver's arms, — that has mineral wealth in its



bowels and that is covered with every kind of wealth on its surface, wins inexhaustible felicity in the next world, and such a king is said to perform the earth sacrifice."<sup>21</sup> "A Kshatriya should make gifts unto a Brahmin of religious deeds...None else however, than a Khatriya is competent to make gifts of Earth."<sup>22</sup>

Land was an impartible estate in the time of Pali literature. Each family was allotted its shares. But there was no proprietary right as against the community. There is no instance of a shareholder selling or mortgaging his share of the village field to an outsider; the consent of the village council was necessary in all such transactions. Some instances of sales or gifts of land however did occur. A Brahmin landowner offers a thousand karisas of his estate as a gift; a merchant by a little sharp practice entangles an unwilling noble in the sale of a park.<sup>23</sup>

( 13 )

declare to be indivisible."<sup>28</sup> Other texts may be quoted in support of the view. "The father is the master of gems, pearls, and corals. Neither the father, nor the grandfather is the master of immovable property."<sup>29</sup> "No division of a dwelling takes place, nor of iron water-pots, ornaments, nor of women and clothes enjoyed by one, nor channels of draining water."<sup>30</sup> "A place of sacrifice, or an object of worship, land, securities, conveyance, dressed food, water and women are not divisible among those of the same gotra or family though distant by a thousand generations."<sup>31</sup>

There is some ambiguity in these texts: some maintain that land is not divisible at all; some are silent with regard to it; but later texts definitely declare land to be divisible as well as partible. Thus the touch of communalism as regards land at last vanishes, and land loses all sanctity. Some communalism survives with regard to pasture—land or irrigation channels, roads, etc. Brihaspati is quite explicit on this point. He is the greatest exponent of the individualistic tendency in old times, "Those by whom clothes and the articles have been declared indivisible have not decided properly. The wealth

of the rich depends on clothes and ornaments. The water of a well or pool shall be drawn and used according to need. Property obtained for a pious purpose shall be divided in equal shares. Fields and embankments shall be divided according to their several shares. A common (road or) pasture-ground shall be always used by the coheirs in due proportion to their several shares.<sup>132</sup>

Strabo refers to the communal cultivation of land "Among other tribes again the land is cultivated by families in common and when the crops are collected each person takes a load for his support throughout the year. The remainder of the produce is burnt to give them a reason for setting to work anew, and not remaining idle."<sup>33</sup>

In later law, however, we find that land just like other movables could be divided as well as sold. Certain formalities are however suggested in the case of a sale of land which marks off the transaction from sales of movable articles. The Mitakshara quotes an anonymous text which lays down that "land passes by six formalities: by consent of co-villagers, of kinsmen, of neighbours and of heirs, and by gift of

( 20 )

gold and water." The Mitakshara explains it by saying that the consent of the co-villagers is required for the publicity of the transaction, but the transaction is not invalid without their consent, and the approbation of neighbours residing near the boundary serves to obviate any dispute concerning the boundary. But Mr. Mayne suggests that these requirements might probably be the relics of a still older system in which "the right of a family in their property were limited by the rights of others outside the family." Kinship and heirship may or may not involve co-ownership; their consent is required, says the Mitakshara to obviate any future dispute about the character of the property and the nature of the right of the transferor. Apararka goes further and says the object is to indicate that where such kinsmen are not unfit or indifferent, an alienation of immovable property should be made in their favour and not in favour of strangers. The formality regarding the gift of gold and water is thus explained: 'Since the sale of immovables is forbidden ( 'In regard to the immovable estate, sale is not allowed; it may be mortgaged by the consent of parties interested' ); and since donation is prai-

sed ( ' Both he who accepts land and he who gives it are performers of a holy deed and shall go to the region of bliss ' ) if a sale must be made, it should be conducted for the transfer of immovable property in the form of a gift, delivering with it gold and water ( to ratify the donation )". Thus we find that the system of ancient law did not favour free alienation of immovable property; but in order to meet the demands of a growing community undergoing social and economic modifications, the old restraints were gradually relaxed; and the sale was assimilated to an act of gift. Thus even a conservative society in spite of itself moves; although it tries to disguise the movement by the use of fictions.

## II

### 1. State-ownership of land.

Another question has been raised whether the old traditions favour the view that the State is the landlord of all soil, or whether private ownership in land is allowed. The question is not one of mere academic importance but of sufficient practical importance to merit serious

( 22 )

consideration. If State-landlordism were established as the standard theory governing all land transactions in India, land revenue will not be a tax but a rent. The government in that case will be entitled to draw the whole rent from the agriculturists leaving them a bare subsistence. If private ownership were proved, land revenue will be a mere tax and as such the government can take a portion only of the agricultural produce. A thick fog of controversy has gathered round the subject.

The one view is that the State in India is the universal landlord. The king is described in early literature as the one owning all the land. He is also described as the devourer of the people; and it is the business of the Vaishyas (agriculturists) to be devoured by the people according to the Aitareya Brahmana. Evidently therefore the peasant's right over his land was precarious, plainly subject to king's will. The king is the master of all property except the priest's. The right of the kshatriya to apportion the land with the consent of the clan is referred to in the Shatapatha.<sup>34</sup> In the Mahabharata also we are told that "only a kshatriya may give land to a priest and all land may be taken possession of

only by a king." " It is a Vedic utterance " we are told, "that the king is the owner of the wealth of all save the priest." Nor are the laws of this period regarding the rights of kings contradictory. The king is declared to be the "preserver and destroyer of his people." who are still as of old, to be devoured by taxes or otherwise, as the king sees fit. When he needs it, " the king may take all the possessions, small and great of those who break the ten commandments ( of morality ). and any possessions of any one save a priest.' The king further gives and gambles away fields, villages, and whole districts at pleasure. Nor is such a gift of a village, a presentation of the right to tax alone. The grantee is made absolute owner, not relative, as in the case of an overlord. It follows that while the king had every reason to let his subjects be owners practically, it was always acknowledged that he owned the land so far as right of dispossession went. He owned it, but he let his subjects live on it, for to them he was as a " father to sons '. But, as he protected them and needed money, he made an agreement that while they lived on his land, they paid him for living there securely. In other words, just

( 24 )

as the king might take all of a farmer's flocks if needed, but annually took part of the flocks as payment ( tax ) for guarding the farmer, so he took part of the crops as payment for protection, not as rent, although as universal landlord, the land was his if he chose to take it. One passage of the epic declares " All property is the result of conquest and robbery. The best property is that which one gets by taking it from another. When kings conquer earth, they speak of the land just as sons do of their father's property and say; 'this land belongs to me.' " " To the mighty, all is proper, to the mighty all is right; to the mighty all is their own. " The private owner claimed land as against his fellow - subjects, but he owned it as against the king just as the jackal owns what the tiger wants.<sup>35</sup> This question is discussed in a commentary of the Narasinha Purana. The verse is " Thrice seven times exterminating the military tribe, Parshu Rama gave the earth to Kashyapa, as a gratuity for the sacrifice of a horse. ". On which the commentary remarks: " By conquest, the earth became the property of the holy Parshu Rama; by Gift, the property of the sage Kashyapa; and



committed by him to Kshatriyas for the sake of protection, became their protective property successively held by powerful conquerors and *not by subjects cultivating the soil*. But an annual property is acquired by subjects, on payment of annual revenue: and the king cannot lawfully give, sell, or dispose of the land to another for that year. But if the agreement be in this form 'you shall enjoy it for years' for as many years as the property is granted during so many years the king should never give sell, or dispose of it to another. Yet if the subjects pay not the revenue, the grant being conditional, is annulled by the breach of the condition, and the king may grant it to another. <sup>26</sup> This theory of state-ownership also finds confirmation in a statement by Strabo: "The whole of the land belongs to the crown, and the husbandmen till it on condition of receiving as wages one-fourth of the produce." <sup>27</sup> Diodorus also remarks: "The ryots pay the king a land-rent, because all the land in India is the property of the crown, and no private persons can own land. Besides the rent however they pay into the royal treasury the fourth part of the produce."

But the other theory viz. that land in India

( 26 )

is private property and not state property is also supported by a body of uncontested evidence. We have seen that there are clear references to private property in land in the Vedas. There were private fields, individual holdings belonging to the joint families in the Vedas. Manu's classic statement is quoted by all : " Historians say that the earth is called Prithvi, from the fact of her first being the wife of king Prithu, *a field is named after the person who first clears it of the jungle*, and a game belongs to him who hits it first." <sup>38.9</sup> In one place we read of the case of one man sowing seed in a field, which is owned by another. We also hear of the owner of a field enclosing it with a thorny hedge over which a camel could not look, and through which a dog or a bear may not thrust his nose. Again, we have detailed rules for the demarcation of boundaries of estates or holdings; and one who takes wrongful possession of a field or a garden meets with punishment. Formalities of sale are also referred to. The king is to fine the cultivator who neglects to sow the field; but this does not detract from the notion of right in the soil.

Mrs. Rhys Davids excellently summarises the

evidence of the Pali literature. The village field in the kingdom of Magadha was larger as a rule than elsewhere; even only one of its portions is, in two cases, described as of 1000 karisas. (Jat. III. 293 IV. 276). The owner or occupier is represented as cultivating his particular *Khetta* himself, aided by his family, or in certain cases by slaves or hirelings. (Jat. I. 277; III. 162, 293; IV. 467) Land might be let against a half, or other share of the produce, or made over by gift to another, or sold. (Vin. II 158, 159). But it is not stated that the land thus transferred was the village *Khetta*; in one case it was forest land; in another a garden; in the third it may have been land 'cleared' by the proprietor, or his forefathers. (Jat. IV. 467.) The traditional feeling was apparently against land transfer. The sovereign claimed an annual tithe on grain produce; this was levied in kind, and amounted to  $\frac{1}{8}$ ,  $\frac{1}{10}$  or  $\frac{1}{12}$ . (D. I. 87; Jat. I. 239, 276, 378; IV. 169. Gaut. X. 24. Manu VII. 130). He could make over this tithe accruing from one or more villages as a gift to anyone (D. I. 187; Jat. I. 138; II. 237, 403; III. 229 V. 44. VI. 261, 344, 363). He could also remit the tithe to any village. (Jat. I. 200; IV. 169

( 28 )

But it is doubtful whether zemindary right to the soil itself was ever given as well. ( Dial. of the Bud. I 108 note ).

A third element in the situation was the king's incontestable right to a portion of the produce as land revenue. The origin of taxation is traced to the earliest times when people horrified by the spectre of anarchy and violence approached Brahma to appoint a king over them. Manu was asked to be their king. But he hesitated, saying government is an arduous affair among untruthful people. People said : ' Fear not; you will receive a recompense : of beasts, a fiftieth part, and also of gold, and we will give a tenth of the corn. " This was the supposed original contract from which the king derived his right to taxation, and the people their right to protection. It was a *conditional* right pure and simple. Nowhere is there recognised the *absolute* and *unconditional* right of the king to do anything he liked with the persons and property of men. Manu, therefore, declares : " Of cattle, of gems, of gold and silver, added each year to the capital stock, a fiftieth part, of grain, an *eighth* part, or a *sixth*, or a *twelfth*, according to the difference of the soil, and the labour neces

sary to cultivate it." In the time of war it may be raised to 1/4th of the crops. Now this law of Manu was not meant to be a mere dead letter but was a living, potent, effective reality for centuries afterwards. The minister Vidyanarya of the kingdom of Vijayanagger is said to have declared that a king who took more than one-sixth shall be deemed impious in this world and shall be cast into hell - flames in the next.<sup>40</sup> Col. Wilkes in his History of Mysore has give other instances of the southern kingdoms taking sixth. "From the many allusions in books it seems probable that as long as the old kingdoms were at peace, the *traditional one-sixth* was adhered to. The king had no expanding administration, nor demands like those on a modern government."<sup>41</sup> If the old dicta of sages did not remain mere pious resolutions, it evidently follows that the king's share was to all intents and purposes both in strict theory and in actual practice, *a tax and not a rent.*

Thus there are three fundamental facts in the situation, to which all theory must do full justice: first, the king was the *universal landlord*; secondly the people had undoubted *private property*.

( 30 )

in land; thirdly, the king was entitled to a *tax* and not a *rent*, conditionally and not absolutely. Statements will be met with to confirm all these three positions. Thus Gautama says: "The king is master of all, with the exception of Brahmins"<sup>42</sup> Brihaspati declares: Should a Kshatriya, Vaishya, or Shudra die without leaving male issue, or wife, or brother, their property shall be taken ( as escheat ) by the king, for he is the lord of all; except in the case of a Brahmin.<sup>43</sup> Again he asks in another place: supposing a piece of land to have been taken from a village belonging to one man, and given to another man, either by a large river or by the king, what should be decided in that case? The land abandoned by a river or granted by the king belongs him who receives it. Otherwise, there would be no acquisition through fate or the king among men. Loss and gain and life among men depend upon the act of fate and of the king. therefore, on all affairs, what is effected by them must not be rescinded.<sup>44</sup> Narada declares: A field which has been held by three generations in succession, and a house which has been inherited from an ancestor cannot be estranged ( from its legitimate owner ) by force of pos-

session, except when the king wills so.<sup>45</sup> In all these passages the ultimate right of the State over all things (with the exception of Brahmins and their goods) is clearly stated. Are we therefore to conclude that the private owner of land was a perpetual lessee rather than the proprietor of the acres he cultivated? But if property means the right of possession, succession, gift, sale, these very writers allowed the exercise of all these rights to the private proprietors. Thus Brihaspati himself says: Immovable property may be acquired in seven ways, viz by learning, by purchase, by mortgaging, by valour, with a wife (as her dowry), by inheritance (from an ancestor), and by succession to the property of a kinsman who has no issue.<sup>46</sup> Nor is the king's *absolute* and *unconditional* right to anything granted by these very lawgivers. Thus Brahaspati writes: when land is taken from any man by a king actuated by avarice, or using a fraudulent pretext, and bestowed on a different person as a mark of his favour, such a gift is not considered as valid.<sup>47</sup> Vasishttha writes: "Let him (or king) not take property for his own use from (the inhabitants of his realm)."<sup>48</sup> There is no right divine of kings to govern

( 32 )

wrong here. " The ruler has been made by Brahma a servant of the people getting his revenue as remuneration. His sovereignty, however, is only for protection. "49 In the last resort public interest, the good of the community must decide the legality of all encroachments upon the right of property. This is the meaning of the saying that the king is the lord of all. The theory of private property in land remains therefore unshaken: and the land-revenue must be taken as a tax and not a rent.

It is interesting to note that these discussions are not entirely started under the influence of western thought, but they occupied some place in ancient thought as well. On the one hand there is the view held by such writers as Kautilya and Jagannath. According to Kautilya the king has right of ownership with regard to fishing, ferrying and trading in vegetables in reservoirs or lakes; further he has a state monopoly of both mining and commerce. Bhattaswamy, his commentator, attempts a justification of the levy of an extra water-tax by quoting a verse: Those who are well-versed in the Shastras admit that the king is the owner of both land and water and that the people can



only exercise their right of ownership over other things except these." Jagannath maintains that if ownership primarily arose from first occupation, it would be reasonable to suppose that the sovereign being the stronger party, would have the prevalent right; such rights as the subjects possessed being permissive in their character, and terminable at his option by the withdrawal of the permission at the end of the year. The difficulty of Jagannath was to determine how originally the rights of the sovereign came to coexist with the rights of the subjects. If the ownership of the subject arose from occupancy, why could not the sovereign prevent it by his superior power, or if it was due to a grant from the sovereign, what was the exact character of the grant? But these are purely speculative questions.

Opposed to these is the opinion very widely held from very ancient times that the Bhau-mikas (landlords) are the real owners of the soil held by them, while they ascribe to the king merely the right to collect the revenue from the landlords as representing his proper share of the produce of the soil to which he becomes entitled by reason of the protection which he

( 34 )

affords to them in the peaceful enjoyment of their property. This is the view of the Mimamsa, of Nilkantha in his Vyavaharamayukha, of Shrikrishna Tarkalankara in his commentary on the Dāyabhaga. Here is the commentary on Jaimini's sutras ( VI, 7. 2 ): As to the question whether that which is the broad earth should be gifted or not, the holder of the prima facie view speaks of it as an article of gift, thinking that it is the wealth of the emperor. But this is no one's property ( sva ). Consisting as it does in the protection of, and the removal of the wicked from his state, sovereignty ( rajya ) means the collection of the taxes from the agriculturists and others and of fines from the guilty; this much is the relation ( between the king and his state ), but no lordship ( swamitva ). Hence no emperor should make a gift of the broad earth, nor a feudal chief of his feudal land. Another author Jagannath Tarkapanchanan takes the same view: " Brihaspati says that a single woman should be made to work in each house ( i. e - in the house of each of the brothers ) according to the share of inheritance.... Well, there arises a doubt whether the slave woman should or should not go to work on the

appointed day in the houses of other brothers; if she is sold to a stranger by one of the brothers on the day when she had to work in the seller's house—we reply thus: the purchaser has acquired the same kind of property right in her, that the seller had in her before selling. Hence the purchaser has the right to command her service only for as many days as she attended on her seller by turns in the middle of each month. It is also for this reason that in the kingdom (country) purchased by a king his right of possession of the country extends only to the collection of taxes on it; and at the same time there remains the right of ownership vested in the cultivator, in virtue of which he is entitled to the produce. Hence also the claim of a cultivator who cultivates a piece of land and enjoys the produce after paying taxes due to the king, to its ownership is admitted on all hands...Accordingly since various kinds of ownership with regard to a single property are accepted, it must be presumed that claims of two different persons to the same kind of ownership with regard to a property are opposed to each other. "31

What then is the conclusion? Kāṭilya

( 36 )

evidently was concerned to uphold imperialism at all costs, and Jagannath was writing under the influence of a foreign domination. Dr. Sen is therefore right in his summing up: " It seems that among the Hindus the property of the sovereign to the soil within his dominion in the occupation of private owners had at an early period been confined to the right of realising a certain share of the produce as revenue, as a recompense for the protection afforded by him. The view of Jagannath that the private owners might be regarded as if they were so many lessees from year to year finds very little support from the Dharmashastra although they dilate upon the divine character of the sovereign and the reverence due to his position, do not furnish any basis for maintaining that he was the absolute master of his territory, free to deal with the lands within his dominion in any way he liked to the prejudice of the settled rights of his subjects. It must however, be understood that I am not here speaking of king's private lands over which he had complete and absolute control; it may also be that with regard to lands within his dominion which had not been appropriated by private

owners as their own, his right was supreme and superseded the claim of his subjects; but as regards land under the private ownership, his right was limited by the concurrent rights inherent in private owners. <sup>52</sup>

Among the modern European writers on the subject also there are two schools: Vincent Smith, Wilson, Mill among others uphold the Kautilyan tradition; but Baden - Powell, Briggs, and Sir George Campbell among others maintain the ancient and time - honoured view of Jaimini. <sup>53</sup>

### III.

#### 1. Principles of Division.

Property as a subject of inheritance is called *daya* ( दाय ) which means ' the wealth which becomes the property of another solely by reason of his kinship to the owner. ' <sup>54</sup> A rival definition given by another school defines it as ' the wealth in which property, dependent on kinship to the former owner, arises upon the cessation of his ownership thereof. ' In the former case relations become co - owners of the property of the owner from the moment of their birth; hence this doctrine is called *जन्मस्यत्वयाद्* or the

( 38 )

doctrine of acquisition of property by birth; while the Dayabhaga doctrine is called उपरमस्व-  
ह्ययाद् or the doctrine of the acquisition of own-  
ership upon the death of the last owner.

The former doctrine is applicable only to a very few relations; viz. the direct male descendants of the owner; in other cases the death of the owner is a necessary condition to the ownership of property. The Mitakshara school therefore recognises two types of दाय (daya : अप्रतिबंध and सप्रतिबंध (unobstructed and obstructed). The succession of the son and other direct male descendants is unobstructed; but that of others is obstructed. The right of the sons and other direct male descendants extends over both paternal and ancestral estate; but the son can object to the free alienation on the part of the father of ancestral property, but cannot object to the father's free alienation of his own self-acquired property. It seems however that the sons' consent is necessary to the alienation of immovable property of the father, although it may be self-acquired; and the father seems to have some free hand with regard to the disposal of ancestral movable property for pious purposes.

The Dayabhaga, however, maintains the absolute ownership of the father over all ancestral and self-acquired property, during his life, the son acquires property in these only after the father's death. However, if the father chooses to divide his property during his life time, he has to do it on general principles of equity and fairness.

The great distinction between the two schools relates to the devolution of property on the death of a member of a joint family. Each school holds a different theory. According to the Dayabhaga, each of the undivided coparceners has ownership, not over the entire joint property, but only over particular portions thereof which becomes manifest when upon partition thereof these several portions are specifically allotted to the several coparceners. This theory is known as प्रादेशिकस्वत्ववाद or the doctrine of ownership in a part. According to Mitakshara, on the other hand the ownership of each parcener in an undivided family extends over the whole of the joint property, and each part thereof. This view is known as सामुदायिकस्वत्व-  
य । or the doctrine of ownership in the whole;

( 40 )

the ownership of each member is limited by the co-ownership of others.

It seems that primogeniture was the prevailing custom in early times. Unity at the centre was necessary to ensure effective management of the joint family. "The moment one's eldest born comes into being, one becomes possessed of a son and discharges the debt to his manes: hence the eldest son is entitled to receive the entire (paternal estate)."<sup>55</sup> But primogeniture of this type did never mean the uncontrolled ownership of the entire paternal property to the exclusion of other children; it merely meant the prior right of management that belonged to the eldest son. First father, then mother, then the eldest son was the head of the family according to Narada.<sup>56</sup> But very early, partition of estates becomes a settled practice; then equal division of property among sons is the rule. "Manu divided his wealth equally among his sons."<sup>57</sup> "O sire, men obtain wealth from you as sons obtain from their old father."<sup>58</sup> Some partiality, however, continued to be displayed towards the eldest son. But Apastamba was a great reformer; he manfully fought against the inequality and sternly asserted the equal right



of all. " Therefore all (sons) who are virtuous inherit. But him who expends money unrighteously, he shall disinherit, though he be the eldest son. He should, during his lifetime, divide his wealth equally among his sons, excepting, the ennuich, the madman, and the outcast. "59

But equality, if not duly limited in practice by other fundamental facts—is likely to be a mere fetish. It was an innovation no doubt which purified the system, to rule out inequality merely on the ground of seniority in age. But joint family if it meant equal distribution of goods among persons unequally constituted with regard to moral and intellectual excellence, would have spelt great disaster for the ancient society bringing all types of fine growth to the flat level of dull mediocrity. " Property (acquired) by learning belongs solely to him to whom (it was given), likewise the gift of a friend, a present received on marriage or with the honey mixture. What one (brother) may acquire by his labour, without using the patrimony, that acquisition, (made solely) by his own effort, he shall not spare unless by his own will (with his brothers) "60 Narada lays down that three kinds of property are not subject to partition: pro-

( 42 )

perty gained by valour, or the gains of science, and property belonging to a wife.<sup>61</sup> What has been obtained from a pupil, or by officiating as a priest, or for answering a question, or for determining a doubtful point, or through display of knowledge, or by success in disputation, or for superior skill in reading, are the gains of learning, and as such not subject to distribution. The same rule likewise applies to the arts.

## 2. Economic position of women...

### Early theory.

History of the past reveals tragic vicissitudes in the position of women. There were epochs when she was almost an equal of man; but she again would lose her position, till she would become completely submerged in the superior personality of her male protectors. An epoch favourable to the rights of woman has begun; and sympathy is revived with her in various forms. It is interesting therefore to find that woman did hold substantially a position of equality with man in the Vedic period. There is a very interesting controversy about the status of women in the Mimamsa. The texts of Jaimini when read along with Shabara's com-

mentary throw an important light on the problem. The anti-woman party says that women are not entitled to the performance of sacrifices. Men alone have right to perform sacrifices because they have capacity to possess wealth while women are treated as chattels (by men). The Vedas say: let hundred chariots be given to the father or guardian of the bride, (and in the Arsha form of marriage) let one ox and one cow be given. It is apparent that the gift of the hundred chariots is made with the object of inducing the bride's father to part with his daughter; hence the gift can not be said to be made for a religious purpose. Woman indeed earns wealth by cooking food for others and such other means, but it is not her wealth. When she herself is another's property the acquisitions belong to that other. Such is the view held by one school...the anti-woman party. But Jaimini takes up cudgels with it in all earnestness. The Shruti clearly declares that whoever had the desire for obtaining the reward of performing the sacrifice can perform them. As women have the desire for the fruit of performing the sacrifices they must be held capable of performing sacrifices. Woman has also

( 44 )

the capacity of owning wealth or property. At the time of marriage when the bride is presented to the bridegroom, the father of the bride is required to utter the following: - She ( the bride ) should not be prevented ( by the bridegroom ) from acquiring Dharma, performing religious acts, from acquiring wealth and from fulfilling her legal desires.' As to what was said of the purchase of the girl, it is not a purchase; it ( gift ) is merely a religious ceremony made to fulfil the law. For in the case of a purchase there is variation of price. The gift of hundred chariots by the father does not vary. It is constant in all cases. Hundred chariots are given in all cases whether the girl is beautiful or not beautiful. The girls therefore are not sold. A certain Vedic text also shows that women have the capacity of owning and possessing wealth. It is as follows: - The wife is entitled to the wealth, at the time of marriage and whatever is acquired by the husband is permitted to belong to her. Women are made to perform sacrifices on account of their wealth. Wealth alone is their strength. By virtue of wealth which they possess they are entitled to govern another's ( their husband's ) household.

This discussion yields the following conclusions: "*firstly* that women are persons in the eye of law and cannot be regarded as chattels; *secondly*, that there can be no purchase or sale of women; *thirdly*, that women are capable of owning or holding property and in this respect no distinction is drawn between acquired or inherited property; *fourthly*, that the position of women cannot be likened to that of slaves according to the Vedas and if there was anything contrary to that in the Smritis, that must be disregarded; *fifthly*, that the wife has the co-ownership in the husband's wealth and the husband has co-proprietary right in the wife's wealth and that neither the wife nor husband can part with property belonging to either without the other's consent, and that the gift made by the husband without wife's consent is invalid."

This was not a mere theory, but it fully corresponded to facts. Woman was the presiding deity of the house. "Over thy husband's father and thy husband's mother bear full sway." "Over the sister of thy lord, over his brothers rule supreme." "Be thou supreme among father-in-law, supreme among brother-in-law also, be thou supreme over sister-in-law, supreme

also over mother - in - law." "Go to the house to be the household's mistress, and speak as lady to thy gathered people."<sup>64</sup> She was entitled to share all the privileges of man. She was the author of some of the hymns of the Rigveda. She used to take her share in the highest intellectual discussions with males in fully-gathered associations. Some of them were called सघोषधू - those which decided for immediate marriage; and some of them were ब्रह्मवादिनी - those who took to Brahman. In fact, she was fully a man's equal in religious as well as secular affairs, in economic position, in legal status, in literary activities, both in theory and in fact.

### 3. Later theory.

(a) *A daughter who is not married.* The rights of an unmarried girl are fully recognised. "(O Indra) as the daughter being with her parents asks for share of wealth from the father's family."<sup>65</sup> Vishnu allots to daughters shares equal to those of their brothers.<sup>66</sup> Narada also takes the same view. "To the eldest son a larger share shall be allotted and a less share is assigned to the youngest son, the rest shall take equal shares, and so shall an

unmarried sister. <sup>67</sup> Manu assigns a share equal to that of her brother to a daughter, who is first appointed Putrika but after - wards a son being born to her father, who becomes an ordinary girl.<sup>68</sup> Subsequently it was ruled that unmarried sisters should receive one share for every three shares of a brother.<sup>69</sup> (b) *Daughter when she is the only child of her parents.* She is then made Putrika i. e. her son is entitled perform the funeral rites of her father, and she is entitled to her father's property. "The sonless man who has a daughter fit to be a Putrika having observed the Putrika rite gets the son of that daughter as his son's son, knowing that this daughter's son will perform his Shraddha."<sup>70</sup> The brotherless female remains a part of her father's house.<sup>71</sup> Manu says: "A son is even as one's self, a daughter is equal to a son; how can another heir take the estate while one's self lives. The daughter's son shall take the whole estate of his maternal grandfather who leaves no male issue."<sup>72</sup> Apastamba, Vishnu, Narada entitle a brotherless damsel to be the sole inheritor of her father's estate.<sup>73</sup> (c) *A married girl with brothers:* "The legitimate son of the body does not give the inheri-

tance to the sister.”<sup>74</sup> “Some hold that daughters do not inherit. Therefore the Vedas say that a male is the taker of wealth, and that a female is not a taker of wealth.”<sup>75</sup> (d) A *widow* who has no sons succeeds to the entire property her lord. But she is not entitled to bestow gifts or to sell property. Under all circumstances she is entitled to food and raiment. She is also entitled to her share of the joint property as long as she stays in the joint family, but she is not competent to dispose it of. But if the widow is in charge of the house (कुलपालिका) her proprietorship is for the life - time, in gift, mortgage, and sale. But widows who have sons receive shares proportionate to their sons' share. (e) *Stridhana - the growth of separate property for women.* Ancient law first assigned no separate property to females. The fact of Stridhana - woman's property was a slow growth. The Hindus were perhaps the first to give females rights which they had not elsewhere. “What ( was given ) before the ( nuptial ) fire, what ( was given ) on the bridal procession, what was given in token of the love, and what was received from her brother, mother, or father, that is called the sixfold property of a woman.



( Such property ) as well as a gift subsequent and what was given ( to her ) by her affectionate husband, shall go to her offspring, even ) if she dies in the life - time of her husband. "73 Her power over the property called Sandayika i. e. what is received from her brothers, parents, or her husband's father's family, is complete, both in respect to gift and sale. She can even dispose of the immovables according to her pleasure. She is to preserve what she has received from her husband with care while he is alive; after-wards her right is supreme. Neither the husband, nor the son, nor the father, nor the brothers can assume power over a woman's property to take or bestow it.<sup>74</sup> Only exceptional circumstances such as famine, performance of religious duties, illness or imprisonment can justify a husband to touch his wife's property.<sup>80</sup> Of course each partner has complete right over the property of another when mutual affection subsists: in fact the idea of separate property of either husband or wife does not arise in normal wedded wife. *दम्पत्यो मय्यगं धनं ।* "Wealth is common to the married pair." ( Datta ) ( f ). Women have a general right to maintenance and protection. " A mother

and a father in their old age, a virtuous wife, and an infant son must be maintained even though doing a hundred times that which ought not to be done. ' <sup>81</sup> Women are under the protection of either their father, or husbands, or sons, or other relations. The position of an unchaste wife is rendered harsh by poor accommodation. She is deprived of her rights, poorly dressed, fed with a view to sustenance only. <sup>82</sup> But it must be remembered that males also lose their rights of inheritance if they lead immoral lives.

#### IV.

##### 1. Analysis of the Right of Property.

The conception of property is based upon the distinction between persons and things, and implies a certain peculiar kind of relation between them. There are two different ideas—one of ownership ( स्वामित्व ) and one of property ( स्वत्त्व ); but these are fundamentally the same. Ownership inheres in persons in relation to things; property inheres in things in their relation to persons. Now the question is what is the meaning of property? Hindu theory

recognizes grades of property rights: ( 1 ) coexistence of various concurrent rights to one and the same thing in different persons, provided there is no incompatibility in the coexistence of such rights. Thus take the case of a piece of land leased to a tenant for cultivation. The custom of leasing land is as old as Apastamba. "If a person who has taken ( a lease of ) land ( for cultivation ) does not exert himself, and hence (the land) bears no crop, he shall, if he is rich, be made to pay ( to the owner of the land the value of the crop ) that ought to have grown. "<sup>83</sup> Here, therefore, in the first place, there are the rights of the tenants in the soil; next, there is the right of the zemindar or landlord; and lastly there is the right of the State to a certain produce. (2) *Right of usufruct or enjoyment*. Thus a widow has ordinarily the right of usufruct over her husband's property. She can not give, mortgage, or sell it away. In old times, the right over land was of this type. Land was inalienable. This kind of qualified property implies fitness for enjoyment. ( भोग्योपयोगि स्वत्व ). ( 3 ) Ownership next implies *fitness for free disposal* ( यथेच्छ-विनियोग ) as indicated by the Shastras. It there

fore implies a plenary control over an object. To illustrate this view, the Viramitrodaya mentions the simile of a seed which contains within it the capacity to germinate and be changed into a sprout although in particular cases it may be impeded in its development by extraneous causes. In the same way, a man may be restrained by other circumstances, in making completely arbitrary use of his property, yet he has got the power of doing it if he chooses.

It is interesting to compare the above attempt to define property with any modern attempt. Austin defines it as "applicable to any right which gives to the entitled property an indefinite power or liberty of using or dealing with the subject." Prof. Ely is more explicit. Property possesses, according to him, the following marks:<sup>81</sup> (1) *Value*: In property, we have to do with economic goods: i. e. goods which have value. Value implies two things: utility and scarcity. (2) *Appropriability*. The objects of property must be capable of appropriation. The owner has a right to control the actions of others in respect to the objects of property. Here is the distinction between possession and property. (3)

Property is *exclusive in its nature and not absolute*. It excludes others; but it is not a right without limitations or qualifications. ( 4 ) The varying *intensity* of property. Property is almost absolute as far as movables are concerned, being more limited when we come to arable land – and still more when we come to forests, houses, mines, and railways. How closely does this agree with the Hindu ideas ? There are certain things over which there can not be private rights. A verse in the Mahabharata says: “ Forests, mountains, rivers, and places of pilgrimage are ownerless ’ (अस्वामिक) ’ <sup>85</sup> and as such public property, open to all for free use.

## 2. Property and the State : Hindu Theory of property.

What is the basis of property ? There is the physical and the legal sanction behind property; it is the State. Society is held together by force. Men prior to the emergence of the State have no rights and no obligations. Rights acquire meaning only when they are duly embodied in the law and practice of governments. Natural rights, inherent rights, *a priori* rights have very little meaning. Rights of property

and contract upon which the whole economic organization of a society hinges are based upon the will of the State. All economics therefore rest upon politics to this extent. Hindu genius clearly perceived and forcibly expressed this fundamental truth. Utopias can be built upon abstract rights; but not actual politics. Actual politics derive all their power and reality in the last resort from force of some type. This is the bedrock fact in this science and its clear enunciation by the writers of the epics was a remarkable contribution to the development of political theory. " If force were abolished from the world creatures would soon be destroyed. Like fish in the water, stronger animals prey upon the weaker. This truth was formerly spoken by Brahma himself viz. that force properly applied, upholds creatures. Behold the very fires, when extinguished blaze up again, in fright, when blown !. This is due to the fear of force. If there were no force in the world distinguishing the good and the bad, then the whole world would have been enveloped in utter darkness, and all things would have been confounded...Every one is kept straight by force. A person naturally pure and righteous is scarce. Yielding to the fear of force, man

becomes disposed to observe rules and restraints. Force was ordained by the Creator himself, for protecting religion and wealth, for the happiness of all the four orders, and for making them righteous and modest. <sup>25</sup> The following passage from the Ramayana is even more eloquent.

Where none is king, the sower's hand  
Casts not the seed upon the land.....  
In kingless lands it ne'er is well  
With sons of trade who buy and sell...  
In kingless land no wealthy swain  
Who keeps the herd and reaps the grain,  
Lies sleeping blest with ample store,  
Secretly near his open door.....  
In kingless land no merchant bands  
Who travel forth to distant lands,  
With precious wares their wagons load,  
And far no danger on the road.....  
In kingless realms no man is sure  
He holds his life and wealth secure.....  
In kingless lands no law is known,  
And none may call his wealth his own,  
Each preys on each from hour to hour  
As fish the weaker fish devour. <sup>26</sup>  
Danda, therefore, is the essence of the

The State is by its very nature based on force and as such is coercive. Men emerge from a state of nature, from a condition of the 'logic of the fish' ( मत्स्यन्याय ) as soon as they organise themselves into a State. All rights and all duties then become possible when men leave the original chaotic state and surrender themselves to the central government. Possession or enjoyment is possible in a non-state; but not property, the essence of which is mamatva or svatva. As Rousseau puts it: "In the state of nature there is but possession, which is only the effect of the force or right of the first occupant," while "ownership which is founded only upon a positive title," is an incident of "civil society." <sup>88</sup>

### 3. Property and the conception of Right.

The real sanction, the ultimate basis of private property as of all other social institutions is the conception of justice, of right, of Dharma. Dharma or justice is made possible by the State and yet it makes the State possible. Take away the conception of justice from men and society must go into chaos. Behind might there must be right or might must eventually



collapse. 'Might is right' is true; but it is equally true that 'right is might.' The government therefore is not the ultimate category beyond which men cannot look and whose decrees they must obey: but Dharma or the conception of right or of justice is the ultimate power behind the State decrees; if that is lacking, use of pure physical force cannot long buttress the unrighteous government. Thus the Hindu jurists define the right of property as fitness for free disposal, as indicated by the Shastras.<sup>89</sup> Here there are two schools—The one maintains that property has its basis exclusively in the recognition of the Shastras; the other and more reasonable school ( Vignaneshwar ) maintains that the idea of property has its basis in popular recognition ( लौकिकस्वत्ववाद ).

The growth of ownership is the outcome of social evolution, and not a deduction from Shastric injunctions. It is reasonable to suppose that in the order of evolution the unwritten rules evolved by the popular mind occupy a prior position, although they may be subsequently moulded and modified by written works of acknowledged authority. This is the view of the Mimamsakas also.<sup>90</sup>

In fact, there is no absolute right of property anywhere: one's right of property is always duly modified by the rights of others. As Dr. Holland puts it ownership is a 'plenary control over an object,' but it must be always enjoyed in such a way as not to interfere with the rights of others. This is exactly what the Hindu writers meant when they defined property right as fitness for free disposal, as indicated by the Shastras. 'The truth is, that there are two sides to private property, the *individual side* and the *social side*. The social side of property finds illustration in the right of eminent domain and in the right of taxation. The two go together, so that if one perishes, the other perishes also. The social side limits the individual side, and as it is always there, there is no such thing as absolute private property. An absolute right of property would result in the dissolution of society. Private property does not carry with it the right of misuse."<sup>21</sup> Private property is established and maintained for social purposes. The idea of property cannot therefore carry with it anything which is contrary to the idea of society.

#### 4. Hindu View: a synthesis of Individualism and Socialism.

Hindu theory emphasised the two elements in the right of property and reconciled them in the light of Dharma in a broader synthesis. All property is individual; its justification lies in the fact that it is a powerful instrument of self-realization. Opposite thinkers like Locke and Hegel—have well emphasised this aspect of private property. Aristotle was its greatest exponent in the past. His position is: "That material wealth is necessary as a condition of the higher life; and that some measure of private property is more conducive to the higher life than any form of common ownership, because

1) it tends more to real unity of sentiment than communism: (2) it is economically superior to it; for people bestow more attention upon the management of private than of public property: (3) ownership is a source of pleasure: and (4) it is more conducive to the growth of character, for communism destroys the possibility of exercising two important virtues, self-control and liberality."<sup>22</sup> Hegel in his own way glorifies the institution of private property.

Personality realizes its power of self-direction

and self-control through ownership; through property, personality obtains a secure footing of its own, a self-dependent area on which to fall back, resources which are under its own control and guidance. Through it man enjoys a certain sense of background which would endow his individual life with a certain dignity. Paupers merely exist on the surface; they cannot strike roots, and establish permanency. "The forces on which their very being depends are wholly out of their ken or power. They are regulated by others, who are out of sight. They themselves lay by the day or the week and are liable to every sort of accidental or unanticipated displacement. It is just the moral discipline of responsible ownership which they are bound to lack"<sup>23</sup> "The stability, the power to look before and after, the assured hold on reality, the embodiment of their own wills in a material fact," in this lies the moral and spiritual value of property. Such is the account of the individual side of property; and Hindu thought endorses every word of it, when it repeatedly says धनान्य-र्जयच्च धनान्यर्जयच्च ।. Man's life would be the life of a dog without property. This is the significance of passages like this, "Man is the slave

of wealth, not wealth of anybody. So one should always carefully labour for wealth. Through wealth men get virtue, satisfaction, and salvation.' 91 "One should pursue learning by moments and wealth by grains. The moments and the grains are not to be left out by the man who wants learning and wealth. Daily acquisition of wealth is good for wife, children, and friends, and also for charity. But without these what is the good of having men and money? One should carefully preserve wealth that can maintain life in future. 'I shall live for one hundred years and enjoy life with wealth'—one should ever earn learning and wealth in this hope for twenty-five years or half or quarter of that period... So long as there is wealth one is respected by all. But the man without wealth though well-qualified is deserted by wife and sons even. In this world wealth is the means to all pursuits. One should practise whatever means makes a man wealthy. Meritorious men stand at the door of the wealthy people even as menials. Even de-

some went to the village, some to the hills, and some to utter ruin, some got mad, some came under subjection of enemies. And owing to insufficiency of wealth some people become slaves of others. ' 95

But this is only one - half of the Hindu theory of property. Individualism forgets that rights are meaningless except as the converse of duties; and if all duties spring in the last resort from the duty of promoting the general good, then rights must also be shown to spring from the same principle. Property has its justification no doubt in the fact that it is one of the most potent instruments of self - realization, but what is the self, of which it is realization ? What is an individual ? He is certainly not a mere atom, an isolated being resting securely upon his own egohood. It is a poor centre of actions, himself. The individual derives all the meaning he has out of the fact that he belongs to some social body. A pure individual is a fiction. The self and not - self are so closely bound up with each other, that each is absolutely meaningless apart from the other. "Personality lies in the relation of person to person. A personality is what it is only by virtue of its power to transcend itself

and to enter into the life of another. It lives by by interpenetration, by intercourse, by communion. Its power of life is love. There is no such thing as a solitary, self-isolated person. A self-contained personality is a contradiction in terms. What we mean by personality is a capacity for intercourse, a capacity for retaining self-identity by and through identification with others - a capacity for friendship, for communion, for fellowship. Hence the true logic of personality compels us to discover the man's personal worth in the inherent necessity of a society in which it is realized...It is therefore impossible to emphasize the reality of personal existence and personal claims, or personal liberty, without in the very same breath asserting the emphatic reality of social obligation, the paramount authority of social order, the sanctity of social law. '96

The essential justification of private property is to be sought in its social as well as individual significance. Justice is therefore the rock-bottom fact upon which property can be based. It is as a member of society that man has right of property; and therefore his right of property is governed by the good of the Society, which

his own good. Any demands upon man's private property in the name of general interest are not encroachments upon his private rights, not drafts upon his charity; 'they are the acts of that identical justice by which he is qualified to be an owner.' Man has a right of property in so far as society allows it; its fundamental basis is social consent. This is the लौकिकस्वतन्त्रवाद of the Hindu Shastras. But what gives him his right of property is also entitled to limit it. There is no right of property unless society wills it; how can therefore there be any right of property which contradicts its own fundamental basis? No such rights are held against society because social will is the fundamental condition of their existence. All property therefore is essentially a trust held for the sake of public welfare; and the trustee must always remember that his right is valid as long as he is faithful to the conditions of trust, and not a minute longer.

### 5. God-the ultimate basis.

But Dharma ..of which the eternal witness is our own heart, the still, small voice within,—does not mean the arbitrary exercise of the



right of society over a private individual. The conception of Dharma—of justice has no meaning unless it traces its source to something deeper than the changing whims of individuals, and this something deeper within man's consciousness, something which is superior to our private selfhood with its sentimental likes and dislikes, family selfhood with its narrow and exclusive attachments, tribal or national egoism with its suicidal particularism—is the fundamental love of humanity within us, the cosmic consciousness within us in virtue of which the finite man becomes the organ of the Infinite, the inner soul the organ of the universal soul. Public good, therefore, can never mean the good exclusively conceived of a clan, tribe, nation, or race; it means the good of humanity conceived neither hedonistically, nor anti-hedonistically, but essentially in the language of spirit, of God. Here again the eastern idea entirely coincides with the western idea. "And, yet further, if he is to identify his personal claim with the claim of the fellowship he must have the assurance that the fellowship is not arbitrary or absolute in the demands that it makes upon him. And this assurance he can only have if the exercise

of its ownership by the fellowship, within which his own right of ownership is exercised, be itself the expression of that absolute ownership which is the sole prerogative of the God who made the earth and all that is in it. Back to God all rights run. Back in Him, the ultimate Creator, producing and sustaining and justifying every capacity and energy that His will has set in action, all ownership stands. All claims are made by Him, through Him, to Him. His righteousness is the bond of all human fellowship. And this is so, just because property in outward goods is but the outcome of personality of God. In the Divine Fellowship in which God realizes Himself lies the source and justification of every fellowship into which man can enter. Man's authority to say of anything 'That is mine' rests, finally, on his power to say, 'I am God's.'<sup>97</sup> In a different way Jagannath arrives at the same conclusion. "This earth is the cow which grants every wish; she affords property of a hundred various kinds (inferior, if the owner needs the assent of another proprietor--superior, if his right precedes assent); while she deludes a hundred owners, like a deceiving harlot, with the illusion of false enjoy-

ment; for, in truth, there is no other lord of this earth but one, the Supreme Lord "

## 6. Applications.

Now we will refer to certain Hindu ideas of property which can be understood only in the light of this social theory of property. Hindu thought steers clear of the extreme individualism of the Lockian type on the one hand and extreme communism of certain forms of socialism. It allows full private property and bases social and economic organisation upon it. But under it property is not absolute; it is essentially a trust; hence in the first place, only persons morally and intellectually qualified are considered fit for inheritance. The main principle upon which all exclusions from inheritance are based is the essentially social significance of all property. यज्ञार्थं विहितं वित्तं । "Wealth is made for sacrifices. Those that are incompetent to perform them are not entitled to inherit property. They are only entitled to maintenance. Wealth is for sacrifice. Therefore it should go to a proper person and virtuous, and not to a woman, ignorant man, or an apostate." What is sacrifice? The same idea of sacrifice which we read in

the Vedas contained in germ the highly ethical notion of sacrifice we meet with in the Gita, which mentions various types of sacrifice, underlying all of which was the idea of the sacrifice of the flesh to the spirit. Man is meant to give away his all for the cause of God, for the service of humanity. What remains after his self-dedication is his own. "The eaters of the life-giving remains of sacrifice go to the changeless Eternal. *This world is not for the non-sacrificer, much less the other.*"<sup>99</sup> The climax of all sacrifice is the ज्ञानयज्ञ in which the highest philosophy transmutes a man's personality, and the great transvaluation of values takes place. सर्व कर्माखिलं पार्थ ज्ञाने परिसमाप्यते । "The Eternal the oblation, the Eternal the clarified butter, are offered in the Eternal fire by the Eternal; unto the Eternal verily shall he go who in his action meditateth upon the Eternal"<sup>100</sup> On this broad principle, therefore, that all the property of man is meant for sacrifice, for service, Hindu theory rules out as unfit for inheritance all who are not equal to the duty of sacrifice or service. "Eunuchs and outcasts, (because of grave sins) those born blind or deaf, the insane, idiots, and the dumb as well as those deficient in any organ

of ( action or sensation ) receive no share. But it is just that ( a man ) who knows ( the law ) should give even to all of them food and raiment according to ability, without stint ( for life ' ; he who does not give it becomes an outcast ' '101 All brothers who habitually commit forbidden acts are unworthy of the share of property.<sup>102</sup> The murderer of a Brahmin, he who drinks spirituous liquors, the violator of a Guru's bed, he who is guilty of incest, he who steals an atheist, he who constantly repeats blamable acts, and he who forsakes blameless relatives, become out - casts.<sup>103</sup> Only virtuous sons inherit; the man who spends unrighteously is to be disinherited.<sup>104</sup> In ancient times the physically incapable members were debarred from inheritance, perhaps because might was right. In later times, exclusion from inheritance was the punishment for unrighteous life, for it was thought that property must be spent for virtuous acts, for social service, for public good. The theory behind these exclusions is undoubtedly the social theory of property which we have announced.

The same theory also explains certain apparently high - handed acts of governments. It

was always considered fully justifiable to take away wealth from the unrighteous and to transfer it to the righteous. In the Rigveda, gods are asked to transfer the wealth of the impious to the sacrificer. Nobody has any right to wealth who does not do proportionate social service. "In the event of there being a king, if a part of a religious sacrifice instituted by a virtuous Kshatriya, or by a Brahmin stands unperformed for want of funds, let him for the performance thereof forcibly carry away that much money from the house of a non-sacrificing Vaisya. Moreover, from a ( Brahmin or Kshatriya ) relation of his, who although not keeper of the sacred fire, is possessed of a hundred kine, and from a relation who, although a keeper of the sacred fire, does not perform the Vedic sacrifices, although he is possessed of a thousand kine - from these two relations let him unhesitatingly take the articles requisite for his sacrifice. From him who daily accumulates money by taking gifts but does not spend it in religious sacrifices, or in works of public utility, let him forcibly take the articles necessary for the performance of his fame and sacrifice, whereby his virtue and fame will be augmented. "106

In the same way, a man who has fasted for three days in want of food, is entitled to steal a day's provision from the house of a miserly miscreant. " He, who having taken money from miscreants gives it to the virtuous, verily converts into a raft whereby he takes both its recipients and his own self across the ocean of misery. The wealth of those who regularly institute religious sacrifices is called the divine property by the wise; the wealth of a non-sacrificer is called *domoniae* property. "106

The same theory explains the enormous emphasis laid at all times in eastern faiths upon the virtue of charity. The essential justification of wealth is that it renders a life of virtue, hospitality, charity possible.

High in heaven abide the Guerdon-givers;  
They who give steeds dwell with the sun for ever;

They who give gold are blest with life eternal;  
They who give robes prolong their lives, O Soma.  
Guerdon bestows the horse, bestows the bullock;  
Guerdon bestows, moreover, gold that glitters,  
Guerdon gives food which is our life and spirit.

The liberal die not; never are they ruined;  
 The liberal suffer neither harm nor trouble.  
 The light of heaven, the universe about us, -  
 All this doth sacrificial Guerdon give them.<sup>107</sup>

The same theory explains the sentiments that the Brahmin is the lord of all things or that the king is the universal lord of all. It also explains the position that treasures found beneath the earth are to be given over to the State. The overlordship of the State in all cases means the overlordship of the community; for the State is nothing but the embodiment of the will of the community. Hence whenever private property is required in the interest of the community, in the last resort, the State has the right to appropriate it; for there is no absolute or ultimate right of anybody in anything; the public good must remain paramount over all such private rights. However, this doctrine is to be very carefully interpreted, because the interpreters of the social will, or the will of God are after all, human beings. But the will of the community as interpreted by the government has the ultimate right to the use of any private property. Thus any man has a right to erect a dike in



another man's field, for it produces considerable advantage, while the loss is trifling. Again, any man has a right to undertake the cultivation of a field and to keep the produce, when the owner of a field is unable to cultivate it, or dead, or gone to foreign countries; the owner can only recover it after paying the cultivator the whole expense, incurred in tilling the waste.<sup>103</sup> All these positions are mere deductions from the social theory of property.

## V.

### 1. Means of acquiring property.

There are seven virtuous means of acquisition of wealth,—inheritance, gain, purchase, conquest, application (of wealth), employment of work, and acceptance of gifts from proper persons.<sup>104</sup> Narada is more explicit. "All transactions depend on wealth. In order to acquire it, exertion is necessary. To preserve it, to increase it, and to enjoy it : these are successively the three sorts of activity with regard to wealth. Again, wealth is of three kinds : white, spotted, and black. White wealth is ( of the following seven sorts ) : what is acquired by sacred knowledge, valour in arms, the practice of austerities, with a maiden, through ( instructing ) a pupil, by sacrificing, and by

inheritance. The gain to be derived from exerting oneself to acquire it is of the same description. Spotted wealth is ( of the following seven sorts ): what is acquired by lending money at interest, tillage, commerce, in the shape of Shulka, by artistic performance, by servile attendance, or as a return for a benefit conferred on some one. Black wealth ( is of the following seven sorts ): what is acquired as a bribe, by gambling, by bearing a message, through one afflicted with pain, by forgery, by robbery, or by fraud. It is in wealth that purchase, sale, gift, receipt, transaction of every kind, and enjoyment have their source ". Narada then proceeds to mention the modes of acquisition common to all castes and then those peculiar to each. Property obtained by inheritance, gifts made from love, and dowry of a wife: these are the three sorts of pure wealth for all castes. Three modes of living are pure for a Brahmin, alms, sacrificing, instruction; taxes, gain of conquest, and fines declared in lawsuits, are the legitimate gains for a Kshatriya. A Vaishya can acquire property by tillage, tending cows, and commerce. A Shudra may accept what is given by members of other castes.<sup>110</sup>

## VIII. Contract in Hindu Society.

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### I.

#### 1. Status vs. Contract.

It is a classic saying of Maine that ancient societies rested on status, while progress depends upon movement from status to contract. In the same way Bagehot also says that the oldest law was almost stranger to contract. That is to say, in old times custom was the lord of all things, not the free will of man. "The guiding rule was the law of status. Everybody was born to a place, in the community; in that place he had to stay; in that place he found certain duties which he had to fulfil, and which were all he needed to think of. The net of custom caught men in distinct spots, and kept each one where he stood." Thus we read in the Rigveda; "We keep the the old accustomed laws, the statutes of supremacy, the long-known laws of Mitra and Varuna."<sup>1</sup>

"Lead us not from our fathers' and from Manu's path into the distance far away."<sup>2</sup>

## 2. Economic Significance of Contract.

But in course of time, men move away from this standpoint. With the growth of relationships among men, contract becomes more and more important. It is the one great agency by which distribution is brought about in a free and advanced society. In early society, life is made up mainly of households and groups, within each one of which authority and custom reign supreme. But as life progresses, this isolation gives way and a host of relationships grow up between men which are regulated more and more by their choice, by the bargaining spirit, and less and less by custom. Now "our economic life is more and more made up of social relations, and the importance of contract keeps pace with the growth of these social relations. This is because contract means relationships--chiefly economic relationships, --existing among men, and we can hardly mention any economic relationship which is not based on contract."<sup>3</sup>

Of course, behind property and behind contract, must be the powerful support of the State; this truth was clearly recognised by ancient Hindu writers. Hence the rights of contract are purely

acquired rights, rights which proceed from and are developed through the State, and their justification is human welfare. As a writer puts it: " 'Contract unites the present and the future, is the principal motive to labour, and the source of union among men'...It not only unites the present and the future, but the past, the present and the future. The continuity of our economic life demands security and stability. We have only to realise what contract relations are to realise this - barter, sale, credit, letting, loans, services, deposits, domestic services, agency, partnership, professional service.....Our economic relations are based largely on contract, and in its absence, might would prevail. It is very largely through contract that our wealth is accumulated and our share of the national dividend comes to us. "4

But while it is on the whole a step forward when society moves from status to contract, it is necessary to state that free and unregulated contract brings in its train many evils. As long as there are inequalities in society, all freedom of competition is freedom only to exploit the poor and helpless. The State therefore must now and then intervene to modify the

excesses of free and unregulated competition by keeping it within due bounds.

### 3. The conditions of the validity of a contract.

Every contract, to be valid, ought to fulfil certain essential conditions. It can be entered into by individuals as well as groups; but there are exceptions. A minor ( अमास्यदार ) as well as a very old man ( अतीतव्यवहार ) cannot be a party to a contract. Women also in most cases are debarred from entering into contracts with outsiders on their own responsibility. Thus Narada says: " The sages declare that the transactions of a woman have no validity, especially the gift, hypothecation, or sale of a house or a field...In the same way the transactions of a slave are declared invalid, unless they have been sanctioned by his master. A slave is not his own master. If a son has transacted any business without authorization from his father, it is also declared an invalid transaction...A youth, who, though independent, has not yet arrived at years of discretion, is not capable of contracting valid debts...That also which an independent person does, who has

lost the control over his actions, is declared an invalid transaction, on account of his want of ( real ) independence. Those are declared to have lost the control over their actions who are actuated by love or anger, or tormented ( by an illness ), or oppressed by fear or misfortune, or biassed by friendship or hatred."s

In order that a contract may be truly a legal contract, it is further necessary that it should be duly entered on a document or be supported by reliable witnesses. A third condition was the compliance on the part of both the sides with certain rules as to time and place. All contracts entered into during the night, or entered into in the interior apartment of a house, or made in a forest, or in any other secret place were void. In fact, fullest publicity was required to ensure the validity of the contracts. In two cases only contracts were considered valid, although sheltered from human gaze: (a) contracting a heavy debt; (b) objects which are too delicate to be brought to others' notice, as for example, the one between a woman and her paramour.

## II.

## 1. Banking in Hindu India.

The essence of banking business may be taken to be the manipulation of credit. This is the fundamental idea behind all banking, ancient and modern. Originally, banking consisted in efforts of individuals to supply certain primitive wants of a growing community. Its main function was that of *lending* and *receiving deposits*. It still remains the business of a bank although in other ways it is evident that its work has vastly increased in scope and significance. From a single dealer and broker in money, the banker has become 'the arbiter of a nation's industrial organisation, and even of the fate of nations.' ( C. A. Conant ).

The indigenous banker was never a mere banker; he was mostly a moneylender, lending either upon landed security or other property or agricultural produce, or a merchant. He was called the *setthi*: and as such he had often very great political importance too. In later days we know the great political influence of Jagut Seth and of Omichund during the Plassey days. It is also interesting to note that one



Banailal Abhechund financed the Government of Bengal during the Sepoy Mutiny of 1857.

In India, banking business is very much the monopoly of a class. It is a purely family concern. The setthi or the shroff transmits the knowledge and good-will of his business to his son; and in this way the old traditions are continued for generations together. But this leads on the one hand to knowledge of the business, honesty in the craft, growth of credit, it leads to fossilization on the other hand. There is no infusion of fresh blood into the class; and no development of new ideas. The joint-stock banking will not have some of the advantages of a private, hereditary shop; but efficient management can always be asserted in it because there is scope for the selection of the best man as the manager. But the indigenous shroff is conservative to a degree; his conservatism is his asset as well as his bane.

The ancient, indigenous banker was essentially a dealer and broker in capital. His one main function was *lending money*. Now there is a fundamental difference between loans in modern times and loans in ancient India. The

loans in these days are either meant to finance war, or to finance industry. In old days money was lent for the performance of social functions or such other unproductive purposes. The rate of interest which it is customary for indigenous bankers to take is often very high; and he is often nick-named, 'the Indian Shylock'. But we have to remember that the greater the security, the less the rate of interest; and the indigenous banker has often worthless security on which he lends, or he finds it very difficult to collect his debts. Again, credit here is mainly agricultural; hence money finds occupation only for a season in the year. Money has to remain idle for a part of the year, and this means a high rate of interest for the time it is employed.

There are certain prominent differences between modern banking and indigenous Indian banking. In the first place, the shroff often lends on the basis of solid securities—land, houses, fields, ornaments. It is thus possible for him to advance long time loans. But the commercial banks of Europe usually give short time loans and prefer to keep their assets liquid; because the deposits are liable to be called upon at any time. The shroff's capital however is his own.

Another difference is that while the European banker weighs each debt by itself, the indigenous banker distributes his risks among his various clients. Another feature of the type of banking which we had in India is the tendency it developed to trade on the misfortunes of others i. e. one's clients. The clients are pampered with fresh loans and loans upon loans till he is head and ears in debt. Very often the shroff quietly swallows up the mortgaged property, owing to the bankruptcy of his customers. Another feature of native banking is the close personal knowledge the shroff insists on possessing of his client, his habits, his income, and his expenditure. A remarkable feature of modern banking is that it wants to fully utilise its reserves. When these reserves exceed his requirements, the banker lowers the rate of discount and issues credit to a greater extent. But the indigenous banker would prefer to have the stock with him rather than lower the value of the wares which he places in the market.

The second function of the native banker is *moneychanging* i. e. the exchanging of one kind of coin for another. In old times, there was a perfect variety of coins in circulation.

It is said that at one time 100 different kinds of gold, 300 of silver, and 50 of copper coins circulated in India. This was entirely to the advantage of the money-changer.

The third function of the setthi is to *receive deposits*. The European banker is more a borrower than a lender; but the native banker does not care to attract money in the way of deposits. However, the shroff keeps the money generally entrusted to him for safe custody. He often pays at present the current rate of interest, and there is the moral obligation on the part of this depositor that he should not make a call at any inconvenient time. Yet he does make use of others' deposits. It is always his wish to be self-dependent and to rely on his own purse rather than subject himself to sudden liability by attracting deposits systematically as do the jointstock banks. The reluctance of the shroff to receive deposits, the want of security, the absence of the Savings-banks and other similar institutions, the occurrence of famines and the innate poverty of the people: these are the factors which had retarded the growth of capital in India and they were also responsible for operating against the development

of the banking habit on the part of the people. It has also been remarked that the Indian people as a rule never drew cheque of any kind on the deposits they gave to the indigenous bankers. "It is a most extraordinary instance of the mutual distrust between man and man," said Sir Richard Temple.

It seems that there is no future for the shroff. Many causes go to undermine his position. The rate of interest has been drastically cut short. This tells heavily on the rural bankers. The reluctance of the urban bankers to finance manufacturing concerns which are springing up must go against them. The individual proprietary basis on which private banking has hitherto been conducted must give place to joint-stock basis. Again, the indigenous banker has done very little to manufacture credit money. Their bills of exchange are merely a species of mercantile exchange. They have never financed manufacture on a large scale... Finally one has to observe the direct and indirect services the bank does to the general community. Some of the most direct services the bank performs are the provision of banking facilities for those who require them and the extension

of these banking facilities by a network of branches, and the bank also acts as a financial secretary to the customers. The indirect services are the providing of a sound and stable credit, by enabling the financial machinery of the country to run smoothly, and by directing the country's capital into the most profitable channels. The indigenous banker of India, when weighed according to this standard, will be found wanting. "7

### 3. Loans.

"The phenomena of borrowing and lending are recorded in the Rigveda. Rina or debt is repeatedly mentioned in the Vedic literature. "As we collect the utmost debt even the eighth and sixteenth part."8 "No debt is due by Brahmins now."9 "He sternly reckoneth their debts."10 "Thou speedest to subdue like one exacting debts."11 "In constant fear, in debt, and seeking riches, he goes by night unto the homes of others."12 The debtor was often bound to posts.13

Now there are two types of loans; secured or unsecured. A loan is said to be secured when a creditor receives a pledge for its satisfaction or

when another person stands as a surety for the debtor. An unsecured loan may be evidenced by a written document or attested by witnesses. Thus Narada says: " The guarantee to be offered to a creditor may be two - fold; a surety and a pledge. A document and ( the deposition of ) witnesses are the two modes of proof on which evidence is founded. "14

### 3. Pledge ( अधि. ).

It is defined in the Mitakshara thus: " Whatever is placed under the control of the creditor by the debtor as security for the thing lent to him is called an adhi or a pledge. " A pledge is of eight kinds: movable or immovable, जंगम or स्थावर ); to be kept only or to be used ( गोच्य or भोग्य ); discretionary i. e. without a time limit ( यादृच्छिक or with a fixed time limit ( सावधि ); evidenced by a document or by witnesses.15

Now let us analyse the rights of the pledgee. " The giving of a pledge created a real right and furnished a real security. It created a real right because the creditor when a pledge was given became invested with an interest in property pledged, which under certain condi-

and on the expiry of a certain period would either ripen into full ownership, or would entitle him to sell the property without the concurrence of the debtor. " 16 This is the view of the Mitakshara. " The giving of a pledge is well recognised among the people as a conditional cause of extinction of property, and the acceptance of a pledge a conditional cause of the acquisition of property, so that after the debt has doubled or the stipulated time has arrived, the right to satisfy the debt ceased, and the debtor's right is extinguished for ever, and the creditor's ownership becomes absolute ".

In the same way we have to recognise the duties of the pledgee towards the pledgor. The pledge must be preserved precisely in the same condition; otherwise the pledgee loses interest. If the pledge be lost through any negligence of the pledgee, he would lose the principal as well. He was also bound to return the pledge in a satisfactory condition on satisfaction of the debt.<sup>17</sup>

#### 4 Sureties.

There are four classes of sureties recognised; for appearance, for confidence, for payment, and for delivering the assets of the debtor. The first



says: ' I will produce that man ' ; the second says, ' he is a respectable man ' ; the third says, ' I will pay the debt ' ; the fourth says, ' I will deliver his assets ' . If the surety is a surety for appearance or confidence, the liability does not extend to the son of a man; but it does extend to his son in the other two cases. Sureties, however, must not be excessively harassed; they must be made to pay the debt by instalments. The surety has the right to recover from the debtor the payment he has to make in discharge of his obligation; and he is even entitled to a double sum from the debtor, in case he had to suffer hardship to meet the creditor's claim.

### 5. Realisation of Debt.

Here are two questions: first, on whom does the liability to pay a debt fall ? Secondly, what are the ways by which a debt may be realised ? It must be here remarked that the duty of the debtor to pay off the debt was absolute. If the creditor is dead, the payment should be made to his sons or other heirs, and in the absence of these, the debtor should pay the amount to a Brahmin or throw the same into water (बन्धमावे तु विप्रेभ्यो देयं क्षेप्यं

या । प्रजापति ) . The payment of a debt is essentially a moral obligation; and would entail a second life on a man if not duly discharged during this life. The idea of debt plays a very important part in the Hindu social theory; all duties are conceived as debts, the due discharge of which becomes thus a permanent obligation for a man. " Fathers wish to have sons on their own account, thinking in their minds, ' He will, release me from all obligations towards superior and inferior beings '...If a man fails to pay on demand what had been borrowed or promised by him, that sum goes on growing till it amounts to a hundred crores . A hundred crores having been completed, he is born again in every successive existence, in his ( creditor's ) house as his slave, in order to repay the debt. If an ascetic or an Agnihotri dies without having discharged his debt, the whole merit collected by his austerities and by his Agnihotra belongs to his creditors ".<sup>12</sup>

Sons or grandsons were liable for the debts of the father or grandfather; other heirs are also liable to the extent of the assets they inherit. All debts incurred for the benefit of the household, by an uncle, brother,

son, wife, slave, pupil, or dependent, must be paid by the head of the family. Sons, however, were not liable to pay the debts of their father, which might have been incurred for spirituous liquor, for losses at play, for idle gifts, for promises made under the influence of love or wrath. Debts contracted by the wives of distillers of spirituous liquor, hunters, washermen, herdsmen, barbers, or the like persons, are to be paid by their protector: because they are usually contracted for the affairs of the husband.<sup>20</sup>

It was open to the creditor to recover his debt either by recourse to litigation or without recourse to litigation. Thus *Manu* lays it down: "By *Dharma* ( the use of inoffensive persuasion or mediation of friends ), by suit in a court, by artful management, or by distress, creditor may recover the property lent, and fifthly, by force."<sup>21</sup> The first extrajudicial method to be employed by a creditor was the least objectionable one. It meant the bringing of friendly pressure to bear upon the debtor. The second method was artful management or *उद्वेगः*. Here a creditor, with a crafty design, borrows anything from his debtor, for his own use, or withholds a thing deposited by the debtor or the like and thus

enforces payment of the debt. The third method was *आचरित*. It consisted in confining the debtor's wife, son, or cattle, or in watching at the house of the debtor without taking any food i. e. sitting 'dharna' at the door of the debtor. Lastly, the debtor may be fettered and taken into the creditor's house, and compelled to pay the debt by beating or other forcible means. Or a poor debtor may be taken to his own house by the creditor, and compelled to do work there, such as distilling spirits and the like; but a Brahmin must be made to pay gradually.<sup>22</sup> It should be however remembered that the creditor was not to take the law into his own hands, if there is any doubt about the creditor's claim, or if the debtor demands a trial by court. The creditor was allowed to use force in the last resort with a view not to punish the debtor but to secure his loan back, and he was at liberty to exact only the type of work which suited the position and dignity of the creditor. It was also stated that a debtor who was disabled by a reverse of fortune from paying the debt, was asked to discharge the debt gradually, according to his means, as he happened to gain property.

Mill makes a few remarks upon loans in ancient India, which are worth quoting. "In an improved state of society where the efficiency of laws, the diffusion of wealth, and the accommodation of business, have created a mutual confidence, loans are generally contracted on the security of laws, without the actual custody or deposit of property on which they may be secured. It is only in that extremely confined and degraded species of lending, abandoned to pawnbrokers, that pledges form a regular and component part. In the more early and imperfect states of social union, circumstances are very different. Law is both feeble and inaccurate, poverty reigns, violence prevails; and the man who is able to discharge his debts to-day may be stripped of all possessions to-morrow. In these circumstances, the security of law upon the person or property of the debtor is seldom sufficient; and the deposit of some equivalent property as a pledge, is the obvious, and in point of fact, the common resource. The responsibility of the second person, who becomes surety for the borrower, is another foundation on which Hindu loans are contracted".<sup>24</sup>

#### 6. Interest.

It is possible that there is an allusion

interest in a passage of the Rigveda: " As we collect the utmost debt even the eighth and sixteenth part. ' <sup>25</sup>

The fact of interest is not palatable to the religious consciousness of all ancient peoples. It meant to some extent exploitation of the poor and the helpless by the rich. Ancient peoples did not know much of loans for productive purposes; the loans advanced were mainly for consumption. Hence the justification of the sentiment against usury in ancient times. Megasthenes was perhaps guided by some such idea when he wrote: " the Indians neither put out money at usury, nor know how to borrow. It is contrary to established usage for an Indian either to do or suffer a wrong, and therefore he neither makes contracts, nor requires securities... Among the Indians, one who is unable to recover a loan has no remedy at law. All the creditor can do is to blame himself for trusting a rogue. " <sup>26</sup> Some such sentiment existed in early times, but it was soon watered down to suit the facts. Vasishta's famous lines are quoted by all lawgivers. " Now they quote ( the following verses ) : ' He who acquiring property cheap, gives it for a high price, is called a usurer, blamed among those

who recite the Veda'. '(Brahman) weighed in the scales the crime of killing a learned Brahmin against ( the crime of ) usury; the slayer of the Brahmin remained at the top, the usurer sank downward.'" The food of a Veda-knowing miser is considered by Manu as equally defiling as the food of a charitable usurer. In the Mahabharata we read: Those who take exorbitant rates of interest, and they who make unduly large profits on sales, have to sink in hell.<sup>29</sup> It was however found necessary to tone down this sentiment to suit facts. So we read: " A Brahmin and a Kshatriya shall not lend ( any thing at interest acting like ) usurers...Or, at pleasure, they may lend to a person who entirely neglects his sacred duties, and is exceedingly wicked. "<sup>30</sup>

One peculiarity of the ancient loans and interest in India was that loans were often advanced in kind, and interest was also collected in kind. " Gold ( taking) double ( its value on repayment and ) grain trebling ( the original price ). ( The case of ) flavouring substances has been explained by ( the rule regarding ) grain. As well as ( the case of ) flowers, roots, and fruits. ( They may lend ) what is sold by weight, ( taking) eight times ( the original value

repayment.) "31 " Interest on gold, grain, and clothes may rise till it amounts to two, three, or four-times the principal. On liquids, the interest may become octuple; of women and cattle, their offspring is considered as the interest )"32 "

In a humorous verse we are told:

Ox, cow nor cat to neighbours lend,

Nor trust a wife to house of friend.

The cat they break through want of skill;

The ox by overdriving kill:

The cow is overmilked ere long;

The wife in kinsmen's house goes wrong "33

However, sometimes interest on loans in grains was commuted in terms of money. Thus Kautilya says " Interest in grains in seasons of good harvest shall not exceed more than half when valued in money. "34

There are varieties of interest mentioned in the law - books: *kayika* (bodily interest) is connected with bodily labour; *kalika* (or periodical interest) is due every month; *chakravridhhi* (or compound interest) is interest on interest; *karita* (or stipulated interest) is interest promised by the borrower; *shikhavridhhi* (hair-interest) grows like hair every day; it is received every day; it does not cease growing except on



the loss of the head, that is to say, on payment of the principal; *bhogalabha* ( interest by enjoyment ) consists in the use of a ( mortgaged ) house, or the produce of a field.<sup>35</sup>

It was impossible to suppress the taking of interest altogether. As long as there are rich men and needy men, borrowing and lending must take place. Benevolence—the gratuitous extension of relief can be an exception not a rule. Nor is it conducive to the self-respect of the needy party to receive money or things in this philanthropic fashion. The only way therefore is the charging of interest on loans. Economic laws are ultimately bound to prevail over sentimental legislation. All that the laws tried to do was to regulate the rate of interest. Hence attempts were made to fix certain standard rates of interest by law. *Manu* says: “ A money-lending creditor shall charge interest at the rate fixed by *Vasishtha* i. e. an eightieth part of each hundred *per mensem*. ”<sup>36</sup> *Vasishtha* declares; “ Hear the interest for a money-lender declared by the words of *Vasishtha*, five *mashas* for twenty ( *karshapanas* may be taken every month ); thus the law is not violated. ”<sup>37</sup> This means a rate of  $1\frac{1}{4}$  per cent

for a month or 15 per annum. Kautilya also repeats the same idea: " An interest of a pana and a quarter per month per cent is just."<sup>38</sup> Evidently this rate is considered the fairest rate, and refers to loans for which ample security is given.

The rules for loans in kind differed from those which regulated money-loans. The rate of interest therefore depended to some extent upon the kind of articles lent. " On gold ( and other precious metals ) the interest may make ( the debt ) double, on clothes and base metals ( such as tin or lead ), treble; on grain, it is allowed to rise to four times the original amount, and so on edible plants ( or fruit ), beast of burden, and wool. It is allowed to make ( the debt ) quintuple on pot-herbs; sextuple on seeds and sugar-canes; and it may make ( the debt ) octuple, on salt, oil, and spirituous liquor-like-wise, on sugar and honey, if the loan be of old standing. On grass, wood, bricks, thread, substances from which spirits may be extracted, leaves, bones, leather, weapons, flowers, and fruits, no interest is ordained."<sup>39</sup>

Interest no doubt is in part insurance against risk. The greater, therefore the risk, the

higher the rate of interest. Commercial transactions are risky; hence money lent to merchants to finance their trade must fetch a very high rate of interest. But the risk reaches its height when money lent is meant to finance sea-going trade. "Five panas per month per cent prevails among forests. Twenty panas per month per cent prevails among sea-traders."<sup>40</sup> "Interest on stock shall be one-half of the profit and be regularly paid as each year expires."

Another consideration influential in regulating rates of interest was the caste of the borrower. "Two in the hundred, three, and four, and five as has been declared in the Smṛiti, he may take as interest by the month, according to the order of the castes."<sup>41</sup> The higher the caste, the lower the rate of interest chargeable on it. This rule is applicable to loans for which no security is given. The idea was that the credit of a man belonging to the higher castes was greater than the credit of persons of the comparatively lower castes.

Other considerations also often entered into the transaction. "No interest must ever be raised on loans made from friendship, unless there be an agreement to the purpose. Without

an agreement even, interest accrues on such loans after the lapse of half a year. A loan made from friendship can never yield any interest, without being reclaimed by the creditor. If the debtor refuses to restore it on demand, it shall yield interest at the rate of five per cent."<sup>42</sup> It is stated by Brihaspati that a special bargain may be made in time of distress between a debtor and a creditor; in that case only it is allowable to go beyond the legal interest.<sup>43</sup> Certain special rules were made for exceptional cases; and modifications were made by law in the "one pound of flesh" attitude of the creditor. It was not open to the creditor to refuse to accept money when offered. "A creditor refusing to receive the payment of his debt shall pay a fine of 12 panas."<sup>44</sup> And the maximum fixed for the accumulation of interest was doubling of the principal. Thus Yajnavalkya says: "If a creditor for multiplication of his own money does not take it when offered back by the debtor, and if the latter deposits it with an umpire, interest ceases from that date. A limit is also placed on the aggregate amount of interest allowed. In money-transactions interest paid at one time shall never exceed the double of the prin-

cipal."<sup>45</sup> Genuine inability of the debtor would entitle him to special concessions. " A debtor, incapable of discharging his debt, and willing to renew the bond, must pay off the whole amount of interest accrued thereon, and execute a fresh one in favour of the creditor. Failing to pay off the whole amount of interest, he should add up the principal and the balance of interest, and execute a bond ( in favour of the creditor ), entering therein the consolidated amount "<sup>46</sup> The creditor who claimed interest when it was not due was fined Debts neglected for ten years, except in certain special cases would lapse to the debtors. " Interest on debts due from persons who are engaged in sacrifices taking a long time, or who are suffering from disease, or who are detained in the houses of their teachers ( for learning ), or who are either minors or too poor, shall not accumulate. "<sup>47</sup> But the most remarkable provision was to make a clean slate once or twice in a generation, or two giving every one an opportunity to start afresh the work of life. " But the king's death shall stop the interest on money ( lent ) And after the coronation of ( a new ) king the capital grows again. "<sup>48</sup>

## 7. India—a sink of metals.

It is often said even now that India is a sink of precious metals. But the remark was made by Pliny about ancient India. Money made of gold and silver imported into India in exchange for her goods tends to lose its character as a pure currency and comes to be treated as bullion. This is due to the rooted tendency of the Indian people to bury money in their vaults. Capital in India therefore is very shy; because the habit of hoarding has a very great hold on the people from the earliest times. Moneylending was the business only of a small class. All other sections of society very jealously locked up their savings in the underground vaults. Hence the importance in India of ornaments, of fine dresses, of vast stores of grains, of land, of buildings, of cattle, of gems. These were the characteristic forms in which wealth used to be held in India. The richest people had besides plenty of gold and jewellery. Even in the Rig-vedic times, we have noticed the importance of ornaments etc. But there are allusions to the hoarding of wealth as well. "Who for the worshipper scatters forth ample wealth, though buried piled in heaps". "Another, thief-like,

watches well the ways and knows the places where the treasures lie".<sup>49</sup> The Jatakas abundantly testify to the hoarding habit of Indian people. " Now the king of Benares, having got all the kingdom of Kosala into his possession, set up loyal officials as governors, and himself having collected all their available treasure, returned with his spoil to Benares. And filling iron pots with it, he buried them in the royal garden, and then continued to live there. "<sup>50</sup> Another story tells us how sixteen precious treasures were buried at different places by a king who had left enigmatic instructions at the time of his death.<sup>51</sup> In another place we have already cited the story of a farmer who buried nishkas in an ascetic's hermitage. An old man says to himself, ' As soon as I am dead this girl ( his wife ) being so young as she is, will marry heaven knows whom, and spend all my money, instead of handing it over to my son. Would it not be my best course to bury my money safely in the ground? ' So, in the company of his slave Nanda he went to the forest, and buried his riches at a certain spot, saying to the slave, ' My good Nanda, reveal this treasure to my son after I am gone, and don't

let the wood be sold'. Another story relates how a body of traders borrowed money from a great merchant on their bonds to the amount of 18 crores, which he never called in, and how another 18 crores of the family property, which were buried in the river bank, were washed out to the sea. Once a farmer while ploughing a field came across a lugh bar of gold as thick as a man's thigh and four cubits in length, buried there by a wealthy merchant. ( Jat. 1. 39. 40. 109. 56. 73. etc ). Huge treasures were often buried near the river banks and all identity was often lost of the existence of these after the death of the millionaires. The prevailing insecurity and the consequent absence of the banking institutions were mainly responsible for this hoarding instinct among the Indians.

### 8. Deposits.

It is not always safe to lock up money in one's own house. Hence arises the first necessity of some type of banking. Men want security for their capital; hence they place it very often in the charge of a goldsmith, or moneylender, or setthi. The setthi would oblige these people by accepting their valuables and might even exact a nominal charge for keeping



them. Many occasions arise, therefore, on which it is useful to the owner of property to place it in the keeping of another person, without transfer of ownership. "It may be placed for safe custody merely; for the sake of an operation, as with the dyer, for the benefit of his art; with the carrier, either by sea or land, for the sake of transportation; or it may be placed, as in the case of a valuable animal, for the sake of maintenance. In a well regulated society, where the house of one man is as secure from violence as that of another, mere deposit, unless in the case of warehousing the object of which is convenience or economy rather than security, forms a class of transactions of little comparative magnitude. In a rude society, in which the means of concealing valuables is one of the great studies of life, deposits become an object of the greatest importance."<sup>32</sup>

A deposit or a bailment differs from a pledge

in confidence and without suspicion, it is called by the learned a Deposit, "53

Some varieties of deposits are distinguished. Deposits are broadly divided into two parts; open deposits and sealed deposits. Open deposits are again of two types; the *nikshepa* means an open deposit made in the presence of the bailee after showing him the nature and quantity of the thing deposited. The *nyasa* is an open and ascertained deposit entrusted in the absence of the bailee with the members of his family. A possible motive for these two deposits is fear of the king, robbers, or other dangers, or deceiving one's heirs. When a chattel enclosed in a cover and marked with a seal is deposited without describing its nature or quantity, and without showing it, it is a sealed or *Aupnidhika* - deposit. The *Anvahita* - means a deposit made over by the depositary to another saying a certain person deposited this with me, and you shall deliver it to him. The *Yachitaka* means a loan for use. The *shilpinyasa* means a deposit with an artist, for instance, of gold with a goldsmith in order that he may make ornaments with it for the depositor. *Pratinyasa* means a deposit made in return for a deposit received.

A sensible man should make a deposit with one who belongs to a respectable family, who is virtuous, acquainted with his duties, veracious, influential, wealthy, and honourable. He should also consider the place, house, the power, means, and kindred of the depositary.

Except in the case of *shilpinyasa* or *yachitaka* ( loan for use ) the acceptance of deposits is a source of no benefit to the depositary. It is primarily an act of merit. " The merit of one who preserves a deposit is equal to the merit of one who gives articles made of gold, or of base metal, or clothes. The sin of those who consume or spoil ( by negligence ) a bailed chattel is as great as ( the sin ) of a woman who injures her husband or of a man who kills his son or his friend."<sup>54</sup> The best course is not to accept a deposit, but if it is received, it must be carefully preserved and restored. The depositary is legally responsible for payment with interest of the value of the deposit, in case through any fault of his, the deposit is destroyed. Nor is he allowed to procure any advantage to himself by the article deposited with him. He who fails to restore a deposit, and he who demands what he

never deposited are both to be punished like thieves.<sup>55</sup>

The most interesting thing about these deposits is the resort to stratagems in order to detect the real culprit. Manu says: " In the absence of any witness in such a transaction, the judge, for the determination of truth, shall cause a handsome-looking attendant disguised so as to conceal his identity, to deposit gold with the alleged ( deposit - holder ) and to demand the same of him. If the holder of such a deposit can return the gold in the same form and in the same condition in which it was originally deposited, it shall be presumed that he does not hold the deposit as alleged by the complainant. But if he fails to return the deposit made by his attendant in its original form and condition, the judge shall recover from him both the deposits."<sup>56</sup>

Kautilya's observations also are very shrewd. The artisans, he says, are a clumsy people; they often make deposits without any evidence. Many tricks should be resorted to protect such people from the wiles of dishonest people. One trick is to place certain reliable witnesses in a secret part of the house of the depository but within hearing, and then to draw the unsuspecting

depository into frank talk over the matter which might involve confessions of his guilt. This would bring about the exposure of the culprit. Or a valuable article with some secret mark might be put in the custody of a depository by an old merchant with confidence in the midst of a forest, or in the middle of a voyage. If the depository afterwards fails to return the article, he will forfeit his credit and get punished.<sup>57</sup>

It will be even more refreshing to turn to some concrete instances recorded in the form of stories. In one place a farmer takes a matted-haired rascal to be a model of goodness and out of dread of robbery, brings a hundred pieces of gold to his hermitage, buries them there, and requests the ascetic to keep watch over them. The rascally ascetic gets the treasure removed, leaves the hermitage, and asks leave of the squire. Soon after he returns with a straw. 'A straw from your roof had stuck in my hair, and I must return it.' 'What a sensitive nature?' exclaims the farmer. Then the Bodhisatta who is there for trading purpose, on hearing the story, asks the farmer to look out for his money. Then they seize the ascetic, who confesses the whole.

thing.<sup>58</sup> At one time two traders, one from a village and one from a town were friends. The villager deposited with the townsman five hundred ploughshares. The other sold these and kept the price; and in the place where they were put, he scattered mouse dung. By and by came the villager, and asked for his ploughshares. 'The mice have eaten them up' said the cheat, and pointed out the mouse dung to him. 'Well, well, so be it', replied the other: 'what can be done with the things which the mice have eaten!' Now at the time of bathing, he took the other trader's son, and set him in a friend's house, in the inner chamber, bidding the people there not suffer the boy to go anywhere. And having washed himself, he went to his friend's house. 'Where is my son?' asked the cheat. 'Your son has been carried off by a hawk.' Ultimately both go to the court. Here the villager said: 'My lord, I have a question to ask you. If hawks can not carry off boys in the air, can mice eat iron ploughshares?' In this way the cheat was forced to restore the deposited articles to the proper man.<sup>59</sup>

### 9. Instruments of Credit.

Mrs. Bbys Davids writes: "Of substitutes for

current coins ( or what were used as such ), or instruments of credit, we read of signet-rings used as deposits, or securities of wife or children pledged or sold for debt, and of promissory notes, or debt-sheets ( ina-pannani ). The last, however, appear to have been simply registration as between borrower and lender, and their respective heirs. ( Jat. 1-121-230, 423; Vl. 521; Mil. 279. Theri Gatha 444 )<sup>60</sup> Kautilya refers to adesha or bills of exchange. An adesha is an order to a third person to pay up a sum of money on behalf of the sender of the order. It is akin to the Indian Hoondi or the modern bill of exchange in its simplest form <sup>61</sup>

# IX Money, Currency, and Prices.

## 1

### 1. Antiquity of Metallic Currency in India.

*It is certain that the phenomena of exchange appeared very early in Indian History; there is evidence enough for it in the oldest book in Indian literature. the Rigveda. Some types of media therefore must have emerged very early; and naturally people would conduct their earliest economic transactions on the basis of the type of movable goods they value most and value universally. The question therefore is : in what things did the wealth of the Vedic Indians consist ? Gold, ornaments, cattle, grains, fields, houses : these constituted the property of the early Aryans. But the last two are immovable goods and hence unfit to do the work of money. Cattle, ornaments, and grains, and gold would be used in all exchange transactions. " May she gain cattle for her meed, hundreds of sheep, and steeds, and kine ".<sup>1</sup> " Indra hath won all kine all gold, all horses." " When two opposing*



hosts contending for seed and offspring, waters, kine, or cornlands".<sup>3</sup> " Pour out upon us wealth in goods, in gold, in steeds, in cattle, and in corn ".<sup>4</sup> " A hundred asses hath he given; a hundred head of fleecy sheep, a hundred slaves and wreathes besides ".<sup>5</sup> " Steeds sixty thousand and ten thousand kine, and twenty hundred camels I obtained. " <sup>6</sup> The following passage shows that professional physicians expected to be rewarded for their services not by payment of money, but by payment in kind. " Steed, cow, and garment may I win ( as my fee for curing you ) win back thy very self, O man. " <sup>7</sup>

Yet even as early as the Vedic period we find the existence of a metallic currency. A priest Kakshivat by name, praises in the following, the munificence of his patron: " A hundred nishkas from the king, beseeching, a hundred gift - steeds I at once accepted. " <sup>8</sup> Mac Donnell and Keith remark upon this passage: " As early as the Rigveda traces are seen of the use of nishkas as a sort of currency, for a singer celebrates the receipt of a hundred nishkas and a hundred steeds; he could hardly require the nishkas merely for the purposes of personal adornment". Now a nishka means two

things: a coin and a necklace. But when we have definite references to hundreds of nishkas given away to one man, we feel that in such a context the term must refer to coined money.<sup>9</sup> The question may be asked as to how the same word could signify a coin as well as a necklace? It is quite possible that the necklace might have consisted of nishka coins; hence nishka meant now a coin and now a necklace. This is not a mere conjecture as it appears from the following remarks by Mr. Vaidya on the currency of the epic period:<sup>10</sup> " The question remains what coin was in use in epic days. The rupee was certainly not in use as it is not mentioned in any ancient work, but the silver Karshapana must have been in existence as mentioned in Buddhistic works. The word does not occur in the epics. The word frequently used is nishka which was clearly a gold coin. The value of a nishka appears to have been considerable for in one place it is said that the Brahmins were glad when they were given a nishka each in gift and cried, ' you have got a nishka, you have got a nishka '. Nishka also appears to have been used for making necklaces for women much in the same way as patlis are now used; and the word

( निष्ककंठी ) is often applied to women especially servant girls waiting upon queens or Brahmins". In the same way there is a reference to a mala or string of dinaras in the Jaina Kalpa-sutra.<sup>11</sup> This is further confirmed by the use of the word Vishva-rupa in connection with a nishka. Now rupa means a symbol or a figure or a coin. The nishka coins of which the necklace worn by Rudra was made up were called vishwa rupa, because the coins bore various figures on them.<sup>12</sup> Thus the word nishka evidently stood not for unstamped bullion currency but for coined metallic money. Bullion too was used but there was distinct phraseology for it; *hiranya-pinda*. The Rishi Garga thus describes his gifts: "Ten horses and ten treasure chests, ten garments as an added gift, these and ten lumps of gold have I received from Divodasa's hand."<sup>13</sup>

Many other gold coins are mentioned in the later Vedic literature. The king fastens behind the right hind - wheel of the cart - stand two round *shatamanas*, which he gives to the Brahmins as their fee.<sup>14</sup> Again we are told; "Three Shatamanas are the sacrificial fee for this ( offering )."<sup>15</sup> Another coin referred to is *pada* which might have stood for a coin one -

- fourth of the standard coin in value. King Janaka collected a thousand kine and tied ten padas to every single horn of each cow.<sup>16</sup> He could hardly have prepared 20,000 pieces of any gold weight for the purpose. Another coin referred to is *Krishnala*, which denotes the *raktika* or *gunja* berry: hence *Krishnala* coin must have been a gold coin of that weight. "He gives *Krishnala* to each racer".<sup>17</sup> In the *Kathaka Samhita* there is a reference to the gold coin *Krishnala*.<sup>18</sup> Summing up the evidence the Vedic Index observes: "A gold currency was evidently beginning to be known in so far as definite weights of gold are mentioned: thus a weight, *ashta - prad* (Ta. S III 4, 1, 4. K. S XI. 1.) and the golden *shatamana* 'weight of hundred (*krishnalas*)' is found in the *Samhitas*. (Sh. Br. V. 5 16). In several passages *hiranya* or *hiranyani* may mean 'pieces of gold' (Sh. Br. XII 7, 1, 7)".

Now if coined money were in circulation in the Vedic India, it is hardly reasonable to suppose that the Hindus owed their knowledge of this device to the Greeks. Yet we find writers like James Prinsep, H. H. Wilson, James Kennedy, and V. A. Smith maintaining the

indebtedness of India to foreign sources in the art of coining money. For example, V. A. Smith writes: The introduction into India of the use of coins, that is to say, metallic pieces of definite weight authenticated as currency by marks recognised as a guarantee of value, may be ascribed - with much probability to the seventh century B C., when foreign maritime trade seems to have begun. There is reason to believe that the necessities of commerce with foreign merchants were the immediate occasion for the adoption by the Indian people of a metallic currency as well as of alphabetical writing."<sup>19</sup> But the only thing necessary to account for the growth of currency is the rise of the phenomena of exchange; and as early as the Vedic period, there was a considerable volume of internal traffic to give rise to the necessity of a metallic currency, As Alexander Cunningham points out: "If the Hindus had derived their knowledge of coinage from the Greeks, the types, shape, and standard of all their money would have been Greek." Prof. Rapson also holds that the most ancient coinage of India was developed independently of any foreign influence.

## 2. Currency in later literature.

Barter however did not entirely disappear. There are allusions to barter both in the Sanscrit and in the Pali literature " They that are good do not applaud the purchase of uncooked food by giving cooked food in exchange. Uncooked food, however, may be given for procuring cooked food. In a compact of this kind there is no sin. Listen, O Yudhishtira I shall speak to thee of the eternal practice, existing from days of old, of persons conducting themselves according to approved usages—I give thee this; you give me this other thing in return:—Exchange by such agreement is righteous. To take things by force, however, is sinful "20 " Substances used for flavouring may be bartered for ( other ) substances of the same kind, be it for one more valuable or one which is less. But salt must never ( be exchanged ) for ( other ) substances used for flavouring ( food ). It is permitted to barter se-amum, rice cooked food, learning, and slaves ( each for its own kind and one for the other ). "21 Cases of barter are recorded in the Pali literature. " Methought Sir, I saw sour buttermilk bartered for precious sandalwood, worth 100,000 pieces of money. "22

‘ On the border there lived a merchant who was a correspondent and a friend of Anathapindika, but they had never met. There came a time when this merchant loaded five hundred carts with local produce, and gave orders to the men in charge to go to the great merchant Anathapindika and barter the wares in his correspondent's shop for their value, and bring back the goods received in exchange.’<sup>23</sup> Barter was also the rule among religious fraternities who were often forbidden to traffic ‘ with gold or silver.’<sup>24</sup> Sometimes barter is a mere necessity as when a wanderer in the forest obtains a meal from a woodlander for a gold pin, or when among humbler folk a dog is bought for I Kahapana plus a cloak.<sup>25</sup>

As we have noticed previously the medium of exchange was often cow or a rice-measure. In the time of the Vedas, this was almost universal. “ Who for ten milch-kine purchaseth from me this Indra who is mine ? ”<sup>26</sup> Thus Prof. Kaegi says: Trade existed only in barter, the foundation of which as well as the money unit is the cow in reference to which all things are valued.<sup>27</sup> This is also the opinion of the authors of the Vedic Index to some extent: “ Cattle

formed one of the standards of exchange and valuation. ' <sup>28</sup> The cow continued to be a unit even in the days of *Ramayana*: " Bought for a hundred thousand kine, let Dapple skin, O Saint, be mine. " <sup>29</sup> Sita addresses the following words to the Ganges: " When my brave lord shall turn again, and joyful o'er his kingdom reign; to win thy grace, O Queen Divine, a hundred thousand fairest kine, and precious robes and finest meal, among the Brahmins will I deal. " <sup>30</sup> The wealth of people consisted of cattle, and gold, and grain, and ornaments, and fine dresses. " For poverty was there unknown, and each man counted as his own, kine, steeds, and gold, and grain, all dressed in raiment bright and clean, and every townsman might be seen, with ear-rings, wreath, or chain. " <sup>31</sup> Even in the Pali literature, the same tendency to take into account, the cattle, and stores of grain, and stores of gold and silver continued: although the importance of cattle evidently dwindles down in the sum total of a man's wealth. " Suppose, O King, there was a rich man, great in wealth and property...one who had stores of gold and silver and valuables, and stores of all kinds of wheat, one who had rice and paddy, and



barley, and dry grain, and oil seed and beans, and peas, and every other edible seed, one who had ghi and oil and butter, and milk, and curds, and sugar and molasses all put away in store-rooms, in jars and pots, and pans, and every sort of vessel". Here evidently we move away from a predominantly pastoral civilization where cattle form the main article of a people's wealth to a predominantly agricultural civilization where the stores of grain bulk so largely in a man's belongings.

But money - economy by this time definitely takes the place of the old state of barter. The following tables from Manus clearly show that the coins of gold, silver, as well as copper were in circulation<sup>32</sup>:-

Table I. Copper.

80 Ratis = 1 Karshapana.

Table II. Silver.

2 Ratis = 1 Masha.

16 Mashas = 1 Dharana.

10 Dharanas = 1 Shatamana.

Table III. Gold.

5 Ratis = 1 Masha.

16 Mashas = 1 Suvarna.

4 Suvarnas = 1 Pala or Nishka.

10 Palas = 1 Dharana.

It is however the Buddhist literature which is replete with details regarding the circulation of coined money in the country. The giant fortunes which are recorded in it testify to the advent of an industrial and commercial civilisation. Thus we read so often : ' There dwelt in Benares a merchant whose wealth was eighty crores of money '33. This was the typical figure for a millionaire's money. It is highly probable that only gold coins are referred to in such descriptions. Nearly 54 crores of gold coins were spent by a millionaire-Anathapindika - on the Jetavana sites.

Three types of gold coinage are referred to in the Jataka literature ; the Nishkas, the Suvarnas, and the Karshapanas. In one place we are told that a farmer brings his hundred nishkas of gold and buries them in the hermitage of a pious ascetic. The very next day the ascetic after carefully removing the money takes leave of the farmer, but returns soon to restore a straw which had stuck in his matted hair from the farmer's roof. This ostentatious display of his morality rouses the suspicions of a shrewd trader and the whole thing is brought to light. Again, Vessantara, king of Sibi gives

over his son and daughter to Brahmin, saying: "Son Jali, if you wish to become free, you must pay the Brahman a thousand nishkas." Here a father puts a price upon his children; and as the latter are of royal blood. the price must be very high. The nishkas therefore must be of gold. In many places we find *hiranya* and *suvarna* associated together. Thus people give to a snake - charmer *hiranya*, *suvarna*, *vastra*, *alankara* and the like. Now both these words *hiranya* and *suvarna* mean gold: and hence one of these must stand for gold coins. But if there is ambiguity about *suvarnas*, there is none about *suvarna - mashakas*. King Udaya-bhadra after his death returns from the Heaven to tempt his former queen by a golden dish full of *suvarna - mashakas*. The *suvarna - mashaka* stands for a gold coin which is equal to one *masha* in weight according to the standard of gold coinage.

The *Karshapana* is the standard coin of the *Jatakas*. It was made rarely of gold, but usually of silver, and of copper. Many fractions of this coin were in circulation as token coins: *ardha mashaka*, and *Kakanika*.

### 3. Problems of Currency.

From the earliest days we find that the names of coins and weights were often the same. It is evident that money was regularly weighed before accepted. Kennedy's observations here are reliable. "The stamp on a coin was required not so much to guarantee the weight as the purity of the metal. The weight could only be guaranteed at the time of issue; and even in the Middle Ages and still later among the Mughals, silver after a very few year's currency, was reckoned not as coin but as specie. To this day, in India, every banker and money-changer examines every coin he receives, and weighs it if it be doubtful; and every payment is made by weight, and not by tale."<sup>31</sup>

Another question is: who was in charge of currency—the State or private agencies? Here the remarks of Kennedy do not seem to us to be quite true. "The importance of private coinage and its priority to an official coinage, are not always recognised. According to Indian (or rather oriental) ideas, currency is the business not of the State, but of the banker and the merchant. What they will accept in payment,

that is current with all the world. The idea of monopoly is foreign to such a system; and the close connection in practice as well as theory, between money and specie, prevents any degradation of the standard. Every peasant looks upon silver coins and silver ornaments as of equal value, after due allowance made for the labour of the silversmith. On the other hand, the State encounters many obstacles when it attempts to put its own coinage into circulation. One way alone is open; it may demand that all its dues shall be paid in its own coins. But Oriental States have always realized much the greatest part of their income in kind, and this method is not therefore within their power. An official coinage meant an alloy, and a degradation of the currency " <sup>35</sup> Now whatever may be the case elsewhere, India certainly knew very early the value of the royal prerogative and monopoly in the issue of coins. The opposite belief has arisen because many types of guild-coins have come down to us. Thus Dr. Mookerji writes: " One unique feature of the North Indian evidence is the existence of guild-seals and guild-coins. The excavations at Basarali ( now Vaishali ) have brought to light many seals with inscriptions... ' re-

ferring to the corporation or guild ( *nigam* ) of bankers ( *shreshthin* ), traders ( *sarthvaha* ), and merchants ( *kulika* ). ' It looks as if during those days something like a modern Chamber of Commerce existed in upper India at some big trading centre, perhaps at Pataliputra. ' <sup>36</sup> The ancient guilds also issued coinage. These coins seem to have been issued by the *negama* or guilds of the names given, and were of the nature of mercantile guild - tokens. - Besides these there were ' the autonomous coins of ancient India. ' i. e. those issued by the free clans or autonomous communities. " From these facts the conclusion is drawn that the coinage in Ancient India was a private affair, and not a State monopoly. But it is quite possible as Bhandarkar points out that the *Naigamas* meant not guilds but ' townsmen ' collectively i. e. city - states. However, the State may have allowed in some cases the right of private coinage. But the fact that most of the old coins were issued by kings or States is a well - known fact. Here is the evidence of Kautilya : " The superintendent of mint ( *lakshnadhyakshah* ) shall carry on the manufacture of silver coins ( *rupyarupa* ) made up of four parts of copper and one sixteenth

part of any one of the metals, tikshna, ( iron or steel ), trapu ( tin ), sisa ( lead ), and anjana. There shall be a pana, half a pana, a quarter, and one-eighth. Copper coins made up of four parts of an alloy shall be a mashaka, half a mashaka, kakani, and half a kakani." Another officer was also appointed to regulate the fineness and purity of the currency. " The examiner of coins ( rupadarshaka ) shall regulate currency both as a medium of exchange ( vyahavrikam ) and as legal tender admissible into the treasury ( kosapraveshyam )."<sup>37</sup>

The functions of the last officer - the examiner of coins - throw an important light on the problem. "( The premia levied on coins ) shall be ( from the manufacturer ) 8 per cent known as rupika, ( from the seller and purchaser ) 5 per cent known as vyaji, ( from the appraiser ) one - eighth pana per cent as parikshik, and a fine of 25 panas from ( persons ) other than the manufacturer, the seller and the purchaser."<sup>38</sup> This passage implies the existence of a regular traffic in coined money. In the first place, there was a system of free coinage: any private man was entitled to get his bullion into money. " The State Goldsmith shall artisans to manufacture gold and silver

from the bullion of citizens and the country people.' He was asked to return in coins the same weight and the same quality of bullion he had received, he had to take back these coins after a number of years, provided there was no effect of wear and tear on them. A certain charge however was levied on the private individual, called *Rupika*. Secondly, there was a regular sale and purchase of these coins, for which both the parties had to pay 5 per cent of their profit to the State. Thirdly, there was a class of *Parikshitri* or *parekhs* who would examine the coins presented to them. "That man is to be in charge of gold jewels, silver, and coins who can distinguish their values by their weight, shape, lustre, colour, and resemblances." 39

The sources of supply of gold are mentioned by Kautilya; gold which was the product of the river Jambu was called *Jambunada*. *Shatakumbha* gold was extracted from the mountain *Shatakumbha*. *Hataka* gold was extracted from the mines known as *Hataka*. The mountain *Venu* yielded *Vainava*.

Various ways of alloying and testing the varieties of gold are given. That which is of the colour of the petals of a lotus, ductile, glossy



incapable of making any continuous sound and glittering is the best; that which is reddish yellow is of middle quality; and that which is red is of low quality. The touchstones were used to test the purity of gold. " Having first made a streak with *suvarna* on a touchstone, then ( by the side of the streak ) a streak with a piece of the gold ( to be compared with it ) shall be made. " The touchstone from the Kalinga county was considered the best.

Varieties of silver are also mentioned. *Tutthodgata* was extracted from the mountain *Tuttha*; *Gaudika* was the product of the *Gauda* country; *Kambuka* was extracted from the mountain *Kambu*; and *Chakravalika* was obtained from the *Chakravala* mountain.

Silver which is white, glossy, and ductile is the best.

Prof. K. T. Shah thus sums up the Hindu achievements in this branch of economics: " Suffice it to say that the early Indo-Aryans had reached a very high degree of excellence in applying the principles of monetary science; that they knew all the mysteries of legal tender and the intricacies of standard and token coinage; that they appreciated

the importance of seigniorage and were familiar with the devices of counterfeiters. One emperor, Skandagupta had even to resort to the doubtful expedient of a debasement in currency in order to remedy the financial distress of his administration. At the time of the Mohammedan conquest the different kings of India had their own coinage of gold or silver, conforming as far as possible, to the ancient standard prescribed by Manu and Chanakya and Varahamihira. They each regarded—and justly so—coinage as a royal monopoly and endeavoured successfully to guarantee the weight and fineness of their coins. As regards the mere technique of coinage, the design and shapes of their coins were not all that could be desired, though even there, considering the then state of metallurgy, they had attained considerable excellence. Gold and silver being current side by side we may presume that they had a sort of practical bimetalism; and though we can not say what precisely was the ratio of exchange between the two metals, the weight of authority inclines to the view that the pre-Mohammedan ratio was 8:1 between silver and gold ”.<sup>40</sup>

## 1 Prices in Ancient India

The evaluation of things in terms of money or a medium of exchange yields us prices. Hence the definite emergence of a state of money-economy from a state of barter necessitated the values of things in terms of a common standard. We witness therefore the idea of a price as early as the Rigveda. The word for price was *vasna*, which meant the value of a thing, or the price for it, or the thing itself as an object of purchase; 'ware'. The following passage shows that there was some difficulty in fixing the proper price of an article: and we have here the first instance on record of the characteristic Indian phenomena of haggling. "He bid small price for a thing of value; I was content, returning, still unpurchased. He heightened not his insufficient offer. Simple and clever, both milk out the udder".<sup>41</sup> Both the needy buyer and the shrewd seller make as much as they can out of the bargain. In another place, we read, "O caster of stone, I would not sell thee for a mighty price, not for a thousand, Thunderer, not ten thousand, Lord of countless wealth."<sup>42</sup>

Wages are the price of labour; and from early days we hear of attempts at regulation of wages. Thus we read in the Ramayana, "A piece of gold, the smallest pay, was earned by labour for a day."<sup>13</sup> Mann's standard was different. "One pana shall be the daily wages of menial servants, and six panas those of higher ones. Each menial should get one drona of paddy, every month; and a higher servant six dronas; each menial should obtain a cloth, every six months; while a higher servant should get six pieces."<sup>14</sup> Shukracharya's theories of wages are examined in another place.

But real wages, as opposed to nominal wages require to be estimated in terms not of money merely, but in terms of commodities as well. It will be well therefore to have some concrete idea of the prevailing state of prices in those days. The type of information we get is valueless for the purposes of exact economics or statistics; but it nevertheless gives us some rough, working idea of the economic condition of the people. The facts in the Buddhist literature bearing on this question are carefully collected by Mrs. Rhys Davids. Meat, green grocery and spirits could be purchased in ver-

small quantities, with the smallest copper coins (Jat. 1. 359; 11, 424; IV. 449; VI. 346 ). A kahapana could furnish a small modicum of ghee, or of oil ( Vin. IV 248 - 50 ); sufficient for a king's dinner might be bought with a handful of kahapanas or again, one plate of a royal epicure might cost 100,000 pieces. ( Jat. 11. 319. V - 458 ).

Clothing of course had a wide range of price - from the brethren's garments valued at from 1 to 10 kahapanas, or the men's cloak at 16 kahapanas to the robes valued at 1000 pieces each, - gifts of the king of Kosala to his court ladies or to the Buddha - or the robe of Kashi muslin priced at ' 100,000 ' ( gold coins ) in which a wealthy, young settbi of Mithila waits upon his king. ( Vin. texts 11. 203 note; Vin IV. 253; Jat 11. 24, IV. 401; VI. 403 ). Shoes or sandals might vary in price from 100 to 500 pieces, and a pair presented by a layman to the Buddha cost 1,000 pieces ( Jat. IV. 15 ).

Eight kahapanas would buy a decent ass; one thousand, an average horse, but a thoroughbred foal was valued at 6,000, and a splendid chariot was valued at 90,000 pieces. A pair of

oxen cost 24 pieces. A fawn, again, might be had for only one or two kahapanas. (Jat. II. 229, 305, 306, VI. 343, 404 ).

No instance is yet to hand of the price of elephants, but the jewelled trappings of king's white 'luck' elephant are priced in detail and at a total of upwards of 2,000,000 (pieces) (Jat. VI. 486 ).

A very average slave or slave girl's price was 100 (pieces) (Jat. I. 224, 329; III. 343 ).

The dinner - dish of a Benares king is priced at 100,000; so is that of a Benares king's horse. (Jat. I. 178; II. 319 ).

Sandal - wood was costly, but the quantity valued at 100,000 pieces is not stated (Jat. I. 240).

One hundred nikkhas are offered for a gem (Jat. VI. 160 ).

To hire a carriage in Benares by the hour cost 2 kahapanas per hour. (Jat. I. 121 ).

For the services of a young bull to pull 500 carts in succession through a river - ford, a merchant pays 2 kahapanas per cart, 1,000 in all. (Jat. I. 195 ).

A visit to a barber seems to have cost 8 (Jat. IV. 138 ).

An archer, capable of exhibition of shooting, could command a high salary, 100 000 a year. This aroused the jealousy of his older colleagues (Jat 1. 357. II. 57. V. 128 ).

The performers, acrobats etc hired by a young spendthrift are said to have been paid a thousand, but the duration of each service so paid is not given. ( Jat. II. 43. 121. 61 ).

Courtesans ( municipal and others ) obtained 50 and 100 pieces from each visitor. Those who maintained 'houses of ill fame,' could ask 1,000 in one day. An equal expenditure was lavished by a setthi's son on his mistress ( Vin 1. 268, 269; Jat, III, 59, 248, 475 ).

The famous physician Jivaka Komarabhacca ( son of one of these women ), on healing the wife of the chief setthi of Saketa, obtained from her and her family a collective fee of 16 000 pieces with two slaves and a carriage and horses. ( Vin. 1. 272 ).

Tailoring repairs well-done, in a suburb of Benares, brought in money at the rate of 1,000 pieces in one day. ( Jat. VI. 366 ).

A ' thousand ' was the customary fee paid by merchant caravans to forest constabulary. So much also was paid by a king to a Nesada

( together with a pension for his family ), for temporarily giving up his trade to guard a certain artificial lake and game. ( Jat. 11. 335; V. 22, 356, 471 ). The same sum was sufficient to procure the services of an assassin but not to bribe the governor of a jail. ( gat. III. 59. J. 826 .

Travelling expenses, of a young man are reckoned also at a thousand Kahapanas. ( Jat. V. 290 ).

Education was cheap. The customary fee for a first-class education, such as kings, Brahmins, and wealthy setthis gave their sons, was 1,000 pieces laid by the pupil at the teachers' feet on his arrival at Takkasila or Benares. The son of a poor Brahmin collects 7 nikkhas for his teacher's fee on leaving him. If less or no prepayment was made, the lad was expected to render menial service in return for tuition. ( Jat. I. 239, 451; 11. 47, 273 etc ). The Buddhists did not accept a money fee, and only gifts in kind are permitted to the Brahmin teachers in Manu. ( Jat. 1. 340, Manu. 11. 245, 246, III. 156, XI. 63. )

Fortunes were squandered on amusements and gambling, but festivities seem to have been open to the poorest. Two water-carriers, man



and woman, are shown, spending ( in anticipation ) two saved-up half mashakas on garland, perfume, and spirits on a public festival. ( Jat. 111. 446. IV. 255 ).

Building almonries- one each gate, one in the centre of the town, one at the donor's residence, - and dispensing doles of money of food in them indiscriminately was a staple expenditure on the part of a pious king or a millionaire. The maximum rate was 600 000 'pieces' daily. The cost of building such places is reckoned at 1,000 each. ( Jat. IV. 15, 402, V. 323; VI 484 ).

## 2. Theory of Prices in Shukra.

Shukra gives prices of some articles - gems, metals, and live stock. The following is the relation between metals.

Gold	= 16 silver.
Silver	= 80 copper.
Copper	= 1 1/2 zinc.
Zinc	= 2 tin.
"	= 3 lead.
Copper	= 6 Iron.

The following are the ordinary prices of certain animals:-

Cow = 1 pala silver = 8 rupees.

She - goat =  $1/2$  cow = 4 rupees.

She - sheep =  $1/2$  goat = 2 rupees.

Sheep = 1 pala silver = 8 rupees.

Elephant or horse = 2,000 to 4,000 rupees.

Camel = Buffalo = 56 or 54 rupees.

### High Prices for best things.

Cow = 3 or 10 palas = 64 or 80 rupees  
silver

She - goat = 1 pala silver = 8 rupees

She - sheep = 1 pala silver = 8 rupees.

She - buffalo = cow or  $1/2$  cow = 64 rupees.

Bull = 60 palas' silver = 480 rupees

Buffalo = 7 or 8 palas = 56 or 64 rupees.

Best horse = 500 gold = 8000 rupees.

Best camel = 100 silver palas = 800 rupees.

Elephant = 2000 gold nishkas = 6,000 rupees.<sup>45</sup>

But the most interesting feature of Shukra's attempt is to go from facts to theories. Shukracharya is one of our earliest as well as greatest economists because he first attempted a scientific analysis of the causes and conditions of value. He was the first to ask as well as answer the question; what is the cause of value? why are some things more valuable than others? His answer contains in germ many of the modern theories on the subject.

(1) *Price depends upon the utility of an article.* No utility, no price. Unless the article has value for some one, it clearly can not be a marketable commodity, an economic good, a thing with a price or exchange-value. In other words, a thing should have *value in use* in order that it may possess *value in exchange*; the subjective value of utility is necessary to create objective value or price. "There is no price for worthless thing that can not be used for any purposes" <sup>46</sup>

( 2 ) But the object must possess some *intrinsic value*, in order that it may appeal to some one, satisfy some human want. Thus we are told that "prices of commodities are high or low according as they do or do not possess attributes."<sup>47</sup>

Yet Shukra was wise in perceiving that unless the object was desired by somebody, mere possession of excellence could not convert it into an economic good. In economics we are dominated by the conception of relativity. Mere absolute good, standing in no intelligible relation to humanity, has no utility, no value in use, value in exchange; hence it is not

an economic good. Values emerge only in relation to human wants, but they emerge because there is that in the object which renders it a fit object for human desire. Shukra says: "*Dravya* or goods is silver, gold, copper coined for commercial purposes, cowries, and gami for use, *Dhana* or wealth is cattle, grain, clothes, and grass" This is a distinction of fundamental importance between wealth or economic goods ( *Dhana* and money or medium of exchange. But how do they become *human* goods? The *mulya* of a commodity is the price paid for acquiring it. Hence unless man is prepared to pay for their acquisition, they are not economic goods. "Gold which belongs to oneself *acquires a value in commercial transactions*, and an object comes into existence on this earth through the concurrence of several causes." 49

{ 3 } But a thing may be intrinsically valuable and may also appeal to man and satisfy his want; and yet it may not be an economic good. Shukra knew this quite well. Water, air, and such other free bounties of nature possess both the above characteristics and yet people pay no price for acquiring them. They have value in use, but no value in exchange. Utility

may be a necessary condition of value; but it is certainly not a sufficient condition. Shukra therefore added the concept of *scarcity* to the concept of utility to explain the fact of price or value in exchange. " Prices of commodities are high or low according as they are obtainable with or without ease ".<sup>43</sup>

( 4 ) Now a thing is difficult to have either because it is rare by nature or nature has placed obstacles in the way of its achievement i e. it requires efforts. Labour theory is also therefore here anticipated: the difficulty of its achievement means the sacrifices necessary for it. The greater the effort spent on it, the greater its value. This is also expressed more directly. " The mulya of a commodity is the price paid for acquiring it ". It is its cost of production.

( 5 ) But as we have seen some things are valuable because they are scarce: their scarcity is the sole condition of their value. Such are for example pearls, jewels, diamonds. Here therefore the sole determinants of value are Scarcity and the demands of particular individuals. " Except-

mined by fancy ( Kama )". Desire, fancy, therefore, is one of the determinants of value in the case of all rare and fanciful things . .

Thus Shukra virtually comes to the marginal theory of utility or in other words, the theory of demand and supply as the sole determinants of the exchange value or the price of a thing. But Shukra knows that market price is not a fixed quantity, but something which fluctuates with regard to the same article in different times and places, and also it varies with the quality of the goods. Thus we may say that Shukra's theory of prices is fairly complete and excellently anticipates almost the whole economic thought of the modern age on the subject.

### 3. Prices and Prosperity.

The analysis of the prices given above throws some light on the economic condition of the people. " The details of prices above referred to, enable us to draw some conclusion as to the spending power of the poor, of the men of the middle class, and of the wealthy merchants, and nobles respectively. Of want, as we know in our great cities, there is no

evidence. It is put down as the dire misfortune known that a free man had to work for hire. And there was plenty of land to be had for the trouble of clearing it, not far from the settled districts. On the other hand, the number of those who could be considered wealthy from the standards of those times was very limited. We hear of about a score of monarchs whose wealth consisted mainly of the land-tax, supplemented by other dues and other perquisites, of a considerable variety of wealthy nobles, and some priests to whom grants had been made of the tithe arising out of certain parishes or counties, or who had inherited similar rights from their forefathers; of about a dozen millionaire merchants in Takkasila, Savatthi, Benares, Rajagaha, Vesali, Kosambi, and the seaports, and of a considerable number of lesser merchants and middlemen all in the few towns. But these were the exceptions. There were no landlords. And the great mass of the people were well-to-do peasantry, or handicraftsmen, mostly with land of their own, both classes ruled over by local headmen of their own selection. 250

## X. Trade and Transport.

### I.

#### 1 Intern Trade Organization,

##### 1. Antiquity of trade.

Phenomena of trade are very ancient: and we meet with references to buying and selling, and exchange of goods, and prices in the Vedic literature. Mostly it was exchange of goods for goods or barter: or, the medium of exchange was resorted to. But the medium of exchange was the cow or the ox; very rarely pieces of metal, coined as well as uncoined were used. "Who for milch - kine purchaseth from me this Indra who is mine?"<sup>1</sup> "O caster of the stone, I would not sell thee for a mighty price, not for a thousand, Thunderer! not ten thousand, nor a hundred thousand Lord of countless wealth."<sup>2</sup> The true nature of a bargain is indicated by suggesting...that the buyer will naturally try to give as little as possible, while the seller will try to have as much as possible: hence some haggling often takes place, before both agree to strike the bargain. "He bids a small price for a thing



of value: I was content returning still unpurchased. He heightened not his insufficient offer. Simple and clever, both milk out the udder".<sup>3</sup> Rishis who traded for their livelihood are referred to: "Whereby the cloud shed rain for Dirghashravas, for the merchant Ausija".<sup>4</sup> The following verse shows the essence of a mercantile transaction: "Give me, I give thee gifts; bestow on me and I bestow on thee. To me present thy merchandise, and I to thee will give my wares."<sup>5</sup> A hymn in Atharvaveda gives us a picture of a merchant of those times: "I store up in trade, India...the many roads travelled by the gods, that go about between heaven and earth, - let them enjoy me with milk, with ghee, that dealing (kri) I may get riches. With fuel, O Agni, with ghee, I, desiring offer the oblation, in order to energy, to strength; revering with worship, so far as I am able, - this divine power, in order to hundredfold winning This offence of ours mayst thou - O Agni, bear with what distant road we have gone - Successful for us be bargain and sale; let return - dealing make me fruitful; do ye enjoy this oblation in "concord;"

with riches riches, ye gods, - let that become more for me, not less; O Agni, put down, with the oblation the gain-slaying gods." The Panis ( from the root pan ) were the traders who moved from place to place in large caravans and are once referred to as defeated with slaughter. Ludwig thinks that ' those references to fights with Panis are to be explained by their having been aboriginal traders who went in caravans - as in Arabia and northern Africa - prepared to fight if need be, to protect their goods against attacks which the Aryans would naturally deem quite justified. "

## 2 Internal Trade In the Ramayana.

Heeren in his monumental work, writing about the internal trade of India, draws his references from the Ramayana mainly: hence it would be interesting to know his views. 'The Hindus are represented, he says, in their most ancient works on poetry, as a commercial people. And it is one evidence of the prosperity and well-being of a country, that its merchants can travel, from one place to another with perfect security to themselves and their merchandise ' But further the regulations of

society appear to have awarded a high rank -to persons who were employed in the business of commerce. In the Ramayana, we are informed that at the triumphal entry of Rama into his capital "all the men of distinction, together with the merchants and chief men of the people" went out to meet him; and procession is closed by the warriors, tradesmen, and artisans.

The internal commerce of India could not have been inconsiderable as it was in a certain degree prescribed by nature herself For the sandy shores of the peninsula, not producing in sufficient quantity the first necessities of life and particularly rice, the importations of these articles from the country bordering on the Ganges, became absolutely indispensable; in return for what the latter received chiefly spices and among other valuables, precious stones, and the fine pearls to be procured only in the ocean which surrounds the former. Although cotton one of the most important materials used for clothing, is common all over India, and manufactured with the same activity on the coasts of the peninsula, as in the land of the Ganges, yet the fabric of the two countries differs so much in texture, that a commercial interchange of both

kinds would naturally be introduced. The mode of life peculiar to the higher classes, especially in courts and cities, as represented to us by the poets, implies the existence of a multitude of both artificial and natural wants, only to be satisfied by a corresponding system of internal commerce. The constant experience we have of Asia, which shows that royal cities are always the principal depots of inland traffic, will serve to establish the same fact also with regard to India. In one place the poet referring to mourning which took place on the death of the king, says: ' the tables for the sacrificial offerings are empty; the shops where they sold garlands are closed; and the...bankers and merchants do not show them as usual. "

### 3. *Emporia described.*

A description of some of the capital cities of old times gives us a vivid idea of the state of commerce in those times. The following is a description of Ayodhya:—

On Saraju's bank of ample size,

The happy realm of Kosal lies.

With fertile length of fair champaign

And flocks and herds and wealth of grain.

There, famous in her old renown,  
Ayodhya stands the royal town.

Imperial seat ! her walls extend,  
Twelve measured leagues from end to end.  
And three in width from side to side.

With square and palace beautified.  
Her gates at even distance stand;  
Her ample roads are wisely planned.

Right glorious is her royal street  
Where streams allay the dust and heat.  
She seems a painted city, fair

With chess-board line and even square.  
And cool boughs shade the lovely lake,  
Where weary men their thirst may slake.

There gilded chariots gleam and shine  
And stately piles the gods enshrine.  
There gay sleek people ever throng

To festival and dance and song.  
A mine is she of gems and sheen,  
The darling home of Fortune's queen

With noblest sort of drink and meat,  
The fairest rice and golden wheat,  
And fragrant with the chaplet's scent

With holy oil and incense blent,  
With many an elephant and steed,  
And wains for draught and cars for speed

And envoys sent by distant kings,  
 And merchants with their precious things  
 For poverty was there unknown  
 And each man counted as his own  
 Kine, steed, and gold, and grain  
 All dressed in raiment bright and clean,  
 And every townsman might be seen  
 With earrings, wreath, or chain.

Even richer descriptions are to be found in the Pali works—attesting undoubtedly to the advanced character of the industrial and commercial civilisation of the people. “ And in course of time that city might become mighty and prosperous, filled with stores of food ..... peaceful, glorious, happy, free from distress and calamity, the meeting-place of all sorts and conditions of men. Then nobles and Brahmins, merchants, and work-people, soldiers mounted on elephants, and horses and on chariots; infantry, and bowmen and swordsmen, standardbearers officers, camp-followers;...troops of professional wrestlers, cooks and currymakers, barbers and bathing-attendants, smiths, and...flowerists, workers in gold and silver, lead, tin, copper, brass, and jewellers; messengers, potters, salt-gatherers, tanners, carriage-builders, carvers in ivory, rope-makers,

cotton-thread spinners, basket-makers, bow-manufacturers, bow-string-makers, arrow-fletchers, painters, dye-manufacturers, ... dyers, weavers, tailors, assayers of gold, cloth merchants, dealers in perfume, grass-cutters, hewers of wood, hired servants, people who live by gathering flowers and fruits and roots in the woods, hawkers of boiled rice, sellers of cakes, fishmongers, butchers, dealers in strong drinks, playactors, dancers, acrobats, ... wrestlers, corpse-burners, custers out of rotten flowers; savages; wild men of the woods, prostitutes, swingers, ... and jumpers, and slave girls, bullies, people of many countries, people from Scythia, Bactria, China; and Vilata, people of Uggreni, of Bhurukachha. of Benares, of Kosala, and of the border land; people from Magadha, and Saketa and Suratttha and west: from Kotumbara and Mathura, from Alexandria, Kashmir, and ... Gandhara, - all these coming to take up residence there. Another great emporium is described in the beginning of the same book. It is also very picturesque. " Thus hath it been handed down by tradition - There is in the country of the Yonakas ( i. e. Ionians ) a great centre of trade ( nana-puta-bhedanam - the distributing n

merchandises of many...kinds); a city that is called Sava. The architects have laid it out, and the people know of no oppression since all their enemies and adversaries have been put down. Well laid out are its streets, squares, cross-roads, and market places. Well displayed are the innumerable sorts of costly merchandises with which its shops are filled. It is richly adorned with hundreds of elm-balls of various kinds and splendid with hundreds of thousands of magnificent mansions, which rise aloft like the mountain peaks of the Himsayas. Its streets are filled with elephants borne on, carriages and foot-passengers, frequented by groups of handsome men and beautiful women and crowded by men of all sorts of conditions, Brahmins, nobles, artificers, and servants. They are loud with cries of welcome to the teachers of every creed, and the city is the resort of the loving men of each of the differing sects. Shops are there for the sale of Benares muslin, of Kotumbara stuffs, and of other clothes of various kinds; and sweet odours are exhaled from the bazaar where all sorts of flowers and perfumes are tastefully set out. Jewels are there in plenty, such as men's hearts desire, and guilds of traders in all sorts of finery



display their goods in the bazaars that face all quarters of the sky. So full is the city of money, and of gold and silver, that it is a very mine of dazzling treasures. And there is laid up there much store of property and corn and things of value in ware - houses, foods and drinks of every sort, syrups and sweetmeats of every kind."<sup>10</sup> In a street in one city, we are told, these bazaars were open; - a flower bazaar, and a fruit bazaar, and an antidote bazaar and a medicine bazaar, and an ambrosia bazaar, and a bazaar for precious stones, and a bazaar for all manner of merchandise.<sup>11</sup> The city of Magadha is thus described in the Sabhaparva: "and they beheld the exceeding beauty of the shops full of various edibles and wreaths, and - swelling with every article of every quality, and every kind of wealth that man can desire."<sup>12</sup>

11

### 1. Sale and purchase.

Let us first take the sale of immovable property. Possibly there was such a thing as the right of pre-emption in the case of immovable property. The kinsmen have the prior right to its purchase, then the neighbours,

then the creditors of the seller. The fact of sale must be properly advertised and at least forty neighbours who are not personally interested in the matter should announce it. The boundaries of fields or gardens or tanks or other enclosed spaces should be accurately defined in the presence of elderly and neighbouring villagers, before being put to sale. The crier then shouts thrice " Who will buy at this price ? " and no objection being taken, the purchaser proceeds to buy it. A certain tax is levied by the State on all such sales. This together with any increase in the price offered over and above the fixed one goes to the State.<sup>13</sup> It was also laid down that tax-payers could sell their fields to tax-payers alone, and Brahmins could sell their Brahmadeya or gifted lands to those Brahmins alone who enjoy such lands.<sup>14</sup>

There are certain principles regulating the sale of movable articles. Publicity was the essence of all transactions of sale. " No blame attaches to a sale effected in public, but a clandestine sale is viewed in the same light as theft according to law ". The purchaser has no right in the thing sold to him by a wrong owner; the right owner has a right to recover it.

If a man buys from a slave who has not been authorised to sell by his master, or from a rogue, or in secret, or at a very low price, or at an improper time, he is as guilty as the seller. The purchaser, therefore, has to point out the way in which he got the chattel: then he can recover the price from the vendor.

Another question is: non-delivery of a sold chattel. Now sale takes place according to six standards: by tale, by weight, by measure according to work, according to its beauty, and according to its splendour. Thus betel-nuts are sold by tale, gold or sandal wood are weighed in the scales and sold according to weight, rice and such articles are sold by measure, animals giving milk or used for slaughter or burden are sold according to their capacity for work. Handsome prostitutes are priced according to beauty; and gems are priced according to their splendour. Now after the article is sold for a certain price, it ought to be immediately handed over to the purchaser; otherwise if during the interval the value of the property has increased, the profits must go to the purchaser; if there is a fall in the value of the article, the seller is compelled to deliver the article plus the compensation to

make up for the reduction in price. In the case of a foreign purchaser, the price prevailing in his country must be taken into account. Again, the seller is responsible for any loss or deterioration in the article after the act of sale, for the non-delivery is due to his fault; if, however, the purchaser is slow in taking charge of his goods, he is responsible.

Another peculiarity of the ancient commercial machinery is the liberty it allowed to the purchaser, to cancel the purchase within a limited time. In many cases the buyer often gets dissatisfied with the bargain immediately after the transaction, thinking perhaps that the thing purchased is worse than the expected one or that the price given is too high. What is the remedy? Pure commercialism of course would consider the bargains sealed when once entered into. But Hindu view was more lenient to the buyer whose gullibility often makes him a victim of a bad bargain. It is therefore interesting to find that the Hindu theory attempted "to reconcile the interests of private purchasers with the interest of trade by laying down certain rules which without sacrificing the certainty of trade by allowing excessive and belated inter-

ference with concluded transactions, provided some protection against being entrapped into and held fast by hasty and inconsiderate bargains." The purchaser was entitled to return the article on the same day in an undamaged condition; on the second day he loses a thirteenth part of the price and twice as much on the third day, after that he is bound to keep the article. Milder cattle may be examined for three days; animals of burden for five days; and in the case of precious stones, pearls, and coral the period of examination may extend over seven days. Bipedes are to be examined within half, a female slave within thrice the same time; all sorts of grains within ten days; iron and clothes within a single day. The intending purchaser must first examine an article before purchasing it in order to find out its good or bad qualities. That which has been approved by the purchaser after close examination cannot be returned to the vendor.<sup>15</sup> Such are the rules regarding the sale and purchase of articles.

Mill makes certain interesting comments upon these regulations. Though property in the first stage of existence was probably measured by occupancy, and the one ceased with the

other, the privilege was early conferred of alienating it for a valuable consideration or of transferring it by purchase and sale. In an age however, in which the means of detecting fraudulent acquisitions and of proving the good faith of contracts and bargains are imperfectly known, purchases and sales made in public are alone considered valid. The right, however, conveyed by a bona fide purchase, is not among the Hindus, carried to that extent which is found requisite in a commercial and highly civilised society. If the goods were not the property of the person by whom they were sold, the right of the purchaser becomes absolute only if he can produce the vendor. This is quite sufficient to throw so much uncertainty into the great class of transactions by purchase and sale, as would prove in a civilised state of society, a ruinous obstruction of business. A manufacturer purchases a quantity of the raw material and works it up; he would lose in a mischievous proportion if the owner of that material could demand the identical substance, on tendering the half of its price. In many cases the identical substance is exported; in many it is consumed; and can not properly be restored. Among children and

among rude people little accustomed to take their decision upon full and mature consideration, nothing is more common than to repent of their bargain and wish to revoke them

## 2. Weights and Measures.

Narada says that things were sold in six ways: by tale weight, measure, capacity of work beauty, and splendour. It is clear that many of the most common commodities would be sold by weight or measure. Some idea of the existing weights and measures therefore is necessary. The sales were known even in the Vedic period.<sup>16</sup> In later literature they are common. 'As the balance properly hung in the weighing house causes the end to swing up when the weight is put in, so does a man cause his fate at last to rise if he gathers together every piece of merit little by little.' <sup>17</sup>

The Amarakosha mentions measures of three kinds - weight, length, and capacity.  
( माने तुल्यगुलिप्रस्थः )

Manu, Yagnavalkya and Narada trace all weights from the least visible quantity called *trasarenu*, which is the very small mote which may be discerned in a sun-beam passing through a lattice.

- 8 trasarenuṣ= 1 likṣha or a minute  
poppy seed.
- 3 likṣhas= 1 rāja sarśapa or black  
mustard seed
3. rāja  
sarśapas= 1 gaura sarśapa or white  
mustard seed.
- 6 gaura sarśapas = 1 yava or middle sized,  
barley corn.
- 4 yavas = 1 krishnala or seed of the  
gunja.

This last weight is the lowest denomination in general use. It is also known as rati which denotes the red-seed. It was calculated by William Jones to be equal to  $1\frac{3}{16}$  grains; in current practice it is equal to  $2\frac{3}{16}$  grains nearly.

### Weights of Gold.

- 5 Ratis = 1 Masha.
- 16 Mashas = 1 Suvarna.
- 4 Suvarnas = 1 Pala or Niṣka.
- 16 Palas = 1 Dharana

### Silver weights.

- 2 Ratis = 1 Masha.
- 16 Mashas = 1 Dharna.
- 10 Dharnas = 1 Shatamana.



**Copper weight.**

80 Ratis = 1 Pana or the Karshapana.

It was the business of the superintendents of weights and measures to have them manufactured. Weights are made of iron or stones in Magadha or of such things as will neither contract when wetted, nor expand under the influence of heat. Among the different units of weight are mentioned: ardha - masha, one masha, two mashas, four mashas, eight mashas, suvarna, two suvarnas, four suvarnas, eight suvarnas, ten suvarnas, twenty suvarnas, thirty suvarnas, forty suvarnas, and one hundred suvarnas. There were similar weights made in dharanasa.

**Measures Of Grains.<sup>20</sup>**

8 mu-btis or handfuls = 8 palas = 4 prasritis = 1  
kunchi

8 kunchis = 1 pushkala

4 pushkalas = 1 adhaka

4 adhakas = 1 drona

20 dronas = 1 kumbha.

or -

4 palas = prasritis = 1 Kudava ( 14 tolas )

4 kudavas = 1 prastha	56 Tolas
4 prasthas = 1 adhaka	224 „
4 adhakas = 1 drona	896 „
20 dronas = Kumbha	= 17,620 tolas
10 Kumbhas = 1 baha	= 176,200 tolas.

The ultimate unit in Hindu weights and measures is either paramanu or trasarenu. Take the following table from Varahamihira ( the same is given by Gopala Bhatta who quotes from Viiddha. Manu-his unit is trasarenu )

8 paramanus = 1 rajas or renu; 8 rajas = 1 valagra ( filament of hair ); 8 valagras = 1 liksha; 8 likshas = 1 yuka; 8 yukas = 1 yava; 8 yavas = 1 anguli; 24 angulis = 1 hasta ( cubit = 18 inches ).

The thickness of the minimum visible (the finest perceptible mote in the slanting sunbeam ) is... therefore taken to be  $\frac{1}{35525}$  of an inch. " That these were conventional measures arbitrarily assumed goes without question, for of course, the Hindus had no physical data for a mathematical calculation of these...minute quantities. A valagra - ( hair-tip ), for example, is taken to be,  $3.2 \cdot 10^{-4}$  of an inch thick; i. e. less than one five-thousandth fraction of an inch in thickness; and a fibril of the net works of Dhamani or Nadi ( nerve ) that supply the pores of the skin, was supposed

to be about a thousandth part of the finest hair in thickness, or  $\frac{1}{125}$  of the minimum visible;... but it is evident that these measures were arbitrarily fixed upon, instead of being arrived at by calculation or actual measurement. ”<sup>21</sup>

### 3. Machinery of Exchange:

Maine has tried to explain the gradual growth of the notion of price in early society. The early era is the era of customary price. It was considered absurd to try to screw competitive price from one who belonged to the group. Custom must reign supreme in a small family, clan, or village community and regulate the rate of wages. “The general proposition which is the basis of Political Economy, made its first approach to truth under the only circumstances which admitted of men meeting at arm’s length, not as members of the same group but as strangers – Gradually the assumption of the right to get the best price has penetrated into the interior of these groups, but it is never completely received so long as the bond of connection between man and man is assumed to be that of family or clan connection. The rule only triumphs when primitive community is in ruins. ”<sup>22</sup>

“ At several points probably where the domains of two or three villages converged, there were spaces of...neutral ground. These were the markets. They were probably the only places at which the members of the different primitive groups met for any purpose except warfare, and the persons who came to them were doubtless at first persons specially empowered to exchange the produce and manufactures of one little village-community for those of another. Another idea associated with markets was that of sharp practice and hard bargaining. The three ideas seem all blended in the attributes of the old Hermes or Mercury—at once the god of boundaries, the prince of messengers or ambassadors and the patron of trade, of cheating, and of thieves.” It was in these markets, according to Maine, that the notion of a man's right to get best price for his wares took its rise, and it spread over the world.

The smallest depot of distribution mentioned in early literature consisted of the fixed store or.....shop ( *apina* ). Here mostly retail trading was practised. The shop-keeper's various qualities such as his application, his judgment, cleverness, skill, and connection are often refe-

ered to. The goods disposed of at these centres were such as yellow cloths, spirits, rice, gruel, and such other things as would not be exposed to the light and heat in the open apana and of the hawker with or without cart or donkey. Slaughter houses are mentioned at which people bought their meat. Meat was also sold at cross-road or corner shops. The green grocers plied their trade at the four gates of a town. There were shops for textile fabrics, groceries, grains, perfumes, flowers etc. and taverns. It is curious, says Mrs. Rhys Davids, that there is no mention in the Jatakas of any rural institution resembling the still surviving barter fair or hat, taking place on the borders of adjacent districts, and which one would think must date from early times.

#### 4. Prices: their Adjustment.

The same writer remarks: "The act of exchange between producer or dealer and consumer was, both before and during the Jataka age, a free bargain, a transaction by any system of statute - fixed prices. Supply limited by slow transport and individualistic production, but left free and stimulated, under the latter system, to

efforts after excellence on the one hand, and to tricks of adulteration on the other, sought to equate with the demand, which was no doubt, largely compact of customary usage and relatively unaffected by the swifter fluctuations termed fashion " The free contract generally obtained in the Vedic times.<sup>23</sup> The Shatapatha Brahmana pronounced the general system to have been initiated and sanctioned by a particular sacrificial transaction: "because he (the adhvaryu) bargains for the king (Soma) therefrom any and everything is vendible here." "And because they first bargain and afterwards come to terms, therefore, about any and everything that is for sale here, people first bargain and afterwards come to terms."<sup>24</sup>

In the Pali literature we find that only the king's purchases were effected by an artificially regulated price. It was the business of the court-valuer. His position was delicate inasmuch as he would either displease the king or drive away the merchants. A certain duty was charged on all consignments of goods. Manu, however would have all prices fixed by the State. "In consideration of the distance from which an article has come or to which it shall be despa-

tched, and for which period must it be kept in stock and what prices it will obtain thereby and the expenditures to be incurred under these heads, the king shall fix the prices of articles of merchandise. At the end of each fifth day, or at the close of each fortnight, the king in the presence of the appraisers of prices and in consideration of their stock in the market shall lay down the prices of commodities "25 Narada asks the merchants to fix a just price: it is for the sake of gain that merchants are in the habit of buying and selling merchandise of every sort. That gain is, in proportion to the price either great or the reverse. " Therefore shall merchants fix a just price for their merchandise, according to the locality and season, and let them refrain from dishonest dealings. Thus traffic becomes an honest profession "26

It was perfectly consonant with the ancient economic order to attempt to regulate prices according to some standard of justice. The conception of fair price dominates ancient economic thinking on the subject. " Sale and purchase shall be conducted daily according to the value fixed by the king. The surplus, on the fixed value, is to be recognised as the profit of

the trade. On indigenous articles, the trader, who sells them immediately after purchase, shall make a profit of 5 per cent; and ten per cent on those coming from other countries. Calculating the intrinsic value of commodities and the charges for bringing them, the king shall so fix their price that the seller or buyer may not suffer any loss.<sup>27</sup> The pernicious influence of trusts and combines on prices is foreseen. "The highest form of pecuniary punishment is laid down for them, who, knowing the standard value ( of a thing ) settled by the king, in a body so increase or decrease its value as is painful to the artist or artisan. The highest form of pecuniary punishment is laid down for those merchants, who in a body obstruct the sale of foreign articles, and those who sell them ( at a higher price )."<sup>28</sup> The State monopoly is referred to in Manu and Kautilya.<sup>29</sup> "That merchandise which is widely distributed shall be centralized and its price enhanced. When the enhanced rate becomes popular, another rate shall be declared. That merchandise of the king which is of local manufacture shall be centralised; imported merchandise shall be distributed in several markets for sale. Both kinds of merch-



andise shall be favourably sold to the people. He shall avoid such large profits as will harm the people. There shall be no restriction to the time of sale of those commodities for which there is frequent demand; nor shall they be subject to the evils of centralization. "

### 5. Tricks of Trade:

It is the duty of the king to detect through his spies two kinds of thieves, those who openly rob other men, and those who rob them in secret. The open deceivers are those several kinds of tradesmen who openly steal by means of false weights and exorbitant prices. Adulteration of goods is a capital trick of traders. " For having adulterated an unadulterated article, or having bored a gem which ought not to be bored, or for having bored it at the wrong place,"<sup>30</sup> one is severely punished. He who sells unequally (mixed) goods to one who has paid the proper price for the superior quality, or sells articles

ware, threads, fibrous garments, and woven clothes as superior though they are really inferior shall be punished with a fine of eight times the value of the articles thus sold. When a trader sells or mortgages inferior as superior commodities, articles of some other locality; as the produce of a particular locality, adulterated things, or deceitful mixtures, or when he dexterously substitutes other articles for those just sold, he shall not only be punished with a fine of 54 panas but also be compelled to make good the loss. Adulterations of grains, oils, alkalis, salts, scents, and medicinal articles with similar articles of no quality shall be punished with a fine of 12 panas.<sup>21</sup> Manu prohibits the sale of an article of one species mixed with another of a different species, a pithless substance, an article weighing less than its surface or manifest weight, and an article that is under a cover or lies at a distance. The greatest scoundrel is the goldsmith. 'The goldsmith is the worst of all thorns of the realm; hence, a goldsmith found guilty of treading the path of iniquity should be put to death by cutting him to pieces with a razor.'<sup>22</sup>

## 6. Trade of the Aryans with the Aborigines.

We are thankful to Ktesias for a description of the aborigines and their trade. They were acquainted with but few of the technical arts, had no houses or beds, dwelt in caves and slept on couches of straw, leaves, or grass. They knew how to tan hides, and the men as well as the women wore fine garments manufactured from them. The richest only possessed linen. They kept a multitude of asses, goats, and sheep, and the greatest number of the latter constituted their wealth. Besides milk they also used as food the fruit of the Siptakhora tree, which they dried and packed up in plaited baskets, and exported to the other Indians. They were very fast runners, good hunters, archers, and hurlers of the javelin. They lived especially on the produce of the chase. The flesh of the animals which they killed they roasted in the sun. Protected by their inaccessible mountains, they were not attacked in war by... their neighbours; they are represented as just men and harmless. They carried on trade with the civilized Indians in their neighbourhood, and stood in free relationship with the Indian king. To him they brought annually two hund-

red and sixty talents of the dried fruits of the Siptakhora tree on rafts, and as many talents of a red dye-stuff and one thousand of elektron or the gum exuding from the Siptakhora tree. To the Indians they sold their wares, and obtained from them in exchange, bread, oatmeal, cotton clothes, bows, and lances, which they required in hunting and killing wild animals. Every fifth year the king presented them with three hundred bows, three thousand lances, one hundred and twenty thousand small shields, and fifty thousand swords.

The Mahabharata confirms and further illustrates the traffic of these tribes with the organised kingdoms of India. "And the Shudra kings that dwelt in the regions on the sea-coast brought with them O king, hundred of thousands of serving-girls of the Karpacika country, of beautiful features and slender waist and luxurious hair. And many skins also that are worn even by Brahmins, of the Ranku deer, as tribute unto king Yudhishtira. And the tribes Vairamas, Paradas, Tungas, with the Kitavas,—they who lived upon crops that depended on water from the sky or of the river, they who were born in regions on the sea-shore, in

woodlands, or countries on the ocean, waited at the gate, being refused permission to enter, with goats, and kine, and asses, and camels, and vegetable honey and blankets and jewels and gems of various kinds. And many tribes coming from different regions, some possessing two eyes, some three, and some whose eyes were on their foreheads, and those also called Anshu-ikas, and Nishadas, and Romakas, and some that were cannibals and many possessing only one leg, brought as tribute ten thousand asses of diverse hues and black necks and huge bodies and great speed, and much docility, and celebrated all over the world. The people that came there possessing only one leg gave unto Yudhishtira many wild horses, some of which were red as the cocinela, and some white, and some possessing the hues of the rainbows and some looking like evening clouds, and some that were of variegated colour. And they were all endued with the speed of the mind. And they also give unto the king much gold of superior quality. They that dwell by the side of the river Cailoda flowing between the mountains of Meru and Mandara and enjoy the delicious shades of tops of the Kichaka bamboos, viz.

the Khasas, Ekasanas, the Dirghavenus, the Paradas, the Kulindas, the Tanganas, brought as tribute heaps of gold measured in Dronas ( jars ) and raised from beneath the earth by ants, and therefore called after these creatures. The mountain tribes endued with great strength, brought us tribute numerous chamaras ( long brushes ) soft and black; and others white as the beams of the moon, and sweet white extract from the flowers growing on the Himawata. I also beheld there numberless chiefs of the Kiratas armed with cruel weapons and ever engaged in cruel deeds, eating fruits and roots, and attired in skins, and living on the northern slopes of of the Himwata. And, O king, having brought with them as tribute loads upon loads of sandal and aloe as also black aloe, and heaps upon heaps of valuable skins, and gold, and perfumes, ten thousand serving girls of their own race, and many beautiful animals and birds of remote countries, and much gold of great splendour procured from mountains, they waited at the gates. ”<sup>35</sup>

## III.

## 1. Articles of Trade. Gold and Silver.

All the early works describe gold as in abundant circulation throughout the country. The nuptial present made to Sita consisted of a whole measure of gold pieces and a vast quantity of the same precious metals in ingots. Golden chariots, golden trappings for elephants and horses, and golden bells are also noticed as articles of luxury and magnificence. Golden ornaments were in every house-even that of the poorest. Krishna gave to Subhadra as her peculium ten loads of first class gold possessing the splendour of fire, some purified and some in a state of ore. Yudhishthira also received from many tributaries gold in bullion as well as coins. The sea-side countries, Sindhu, Kamrupa, mountainous regions were some of the of the places from which gold was imported. The following note on silver is instructive "Solomon is said to have hired fleets of ships from Tarshish for the purpose of obtaining from Ophir the silver used in decorating his place and temple. The latter place has been identified by some writers as a part of district on the Mal

abar coast: but at least it is undoubted that Pliny who wrote about A. D. 77 referred to India as a country whence silver was obtained for the use of Romans. There seems good reason to believe that the Chinese obtained silver from Malabar. "33

**Copper:**—Nepal, Kamarupa, Banga'a, Mandaneshwar, Maladri, the country of the Mlechhas, the Pavakadri, Ruma (Constantinople), the country of the Phirangis; these were thought to be the sources of copper. In ancient times copper mines were worked on a larger scale than at present.

**Iron:** Iron and steel industry was an ancient industry in India. "Iron is frequently mentioned in the Bible under Hebrew *paldah* which is the Arabic *fulad* and indicates Indian Iron."41 Professor Wilson says: "Casting iron is an art that is practised in this manufacturing country (England) only within a few years. The Hindus have the art of smelting iron, of welding it, and of making steel, and have had these arts from times immemorial." The Valhikas had brought as presents for Yudhisthira, sharp and long swords and scimitars, and hatchets, and fine-edged battle axes manufactured



in the western countries. The geographical distribution of iron ores according to Dhatukriya was as follows: Lohadri, Gayadri, Gautamadri; Vindhya, seaside places.

**Tin, lead, and zinc.** Tin has been known in India even from a very remote period, and had an important place in Sanskrit Materia Medica, - being mentioned by Shushruta. The supply was probably obtained from Burma from some of the tin-producing islands of the Malaya Archipelago; between which and India trade must have existed in very ancient times.<sup>42</sup> The sources of lead were : Nepal, Kedara, Triyambaka, Tripura, Karmakanda.<sup>43</sup> " Although at the present time lead ores are not largely worked in India, Ball states that there is probably no metal of which the ores had been worked to so large an extent in ancient times, excepting those of iron. This is testified to by the number of old mines in Southern India, Rajputana, Baluchistan, and Afghanistan. " <sup>44</sup> Zinc was perhaps obtained from Kumbhadri, Kamboja, Ruma, Balkh, and Bangala.<sup>45</sup>

**Precious stones and pearls:—**Both of them were indigenous productions and were among the most ancient objects of Hindu luxury

and therefore of commerce; and Manu expressly recommends them along with coral and woven stuff, as the most important articles of which the Vaishyas were carefully to inform themselves as to the price etc. India was the first and for a long period the only source of diamond known to the European nations. It appears to have been worn by the nobility of India long anterior to the earliest European mention of it.<sup>47</sup> The legend of the origin of Kohinoor is that it was found in the mines of the south of India, and was worn by one of the heroes of the Mahabharata, king of Anga; this would place it about five thousand years ago or 3000 B. C. Nothing more of it is heard till it appears as the property of Vikramaditya. In the Mahabharata, kings of Chola and Pandya are said to bring many gems of great brilliancy; the king of Singhalas brought the lapis lazuli, and heaps of pearls: kings of the eastern countries also brought jewels and gems of various kinds.

Pearl fishery and pearl manufacture are ancient industries. The Shukraniti refers to the manufacture of artificial pearls in Ceylon. The Garudapurana and Yuktikalpataru also describe the industry of the Ceylonesse in artificial pearl

manufacture. Saurashtra ( Guzêrat ), Ceylon, Tamraparni ( Malbara ), Peraia, Kauvera, Pandya, Vataks Haimadesha, Paralaukika : are the eight regions where oyster-pearls are found.<sup>49</sup> " Tuticorin has been celebrated for its pearl fishery from a remote date, and as regards comparatively modern times Friar Jordanus, a missionary bishop who visited India about the year 1330, tells that as many as 8000 boats were then engaged in the pearl fisheries of Tinnevely and Ceylon."<sup>50</sup>

**Ivory.** The use and manufacture of ornamental works in ivory is equally ancient throughout India. Pendants for the ear, and necklaces both of that material form the ordinary decorations of the divinities of Elephanta as was observed to be the case even in Alexander's time.

**Woven stuffs** Weaving was undoubtedly the most important manufacture of ancient India. The cotton garments of the Hindus were the first to draw the attention of Alexander and his immediate successors from the extraordinary whiteness of the cloth. The nuptial presents made by Janaka to Sita consisted of woolen stuffs, furs, precious stones, fine silk, vestments of diverse colours, and such other

things. The rough woolen cloths to cover wag-  
ons are also referred to. Articles of furriery  
would come from the northern climes. The  
Valhikas presented to Yudhishtira numerous  
blankets of woolen texture manufactured in  
Chin, and numerous skins of the Ranku deer,  
and clothes manufactured from Jute, and others  
from the threads of insects. And they also gave  
thousands of other clothes not made of cotton,  
possessing the colour of the lotus. Hari gave  
to the sons of Pandu at the time of their  
marriage various gold ornaments set with  
pearls and black gems...and also the costly  
robes manufactured in various countries, and  
many beautiful and soft blankets and hides of  
great value, and many costly beds and carpets  
and vehicles.<sup>51</sup> The finest silk robes used at  
the time of the Jatakas were Benares silk robes.  
“ The great Being dressed himself, putting on  
his Kashi robe, worth a hundred...thousand  
pieces of money ”.<sup>52</sup> “ Benares silk has been  
their dress or linen hitherto. ”<sup>53</sup> It is said in one  
place that “ cloth of Benares on account of the  
finest of its texture absorbs no oil. ”<sup>54</sup> Sivi cloth  
also was considered specially valuable.<sup>55</sup>

**Articles of food.** Rice was the most important article of food in the Ramayana, and in the Buddhist literature. Of this various kinds are distinguished; and in the flourishing city of Ayodhya, the most esteemed as well as the most usually eaten was that called Shali, which ripened in the cold season. Here is a picture of a party given by Vasishta to Vishwamitra.

Honey she gave, and roasted grain  
Mead sweet with flower and sugarcane.

Each beverage of flower rare,  
And food of every sort, was there :  
Hills of hot rice, and sweetened cakes,  
And curdled milk and soup in lakes.  
With sugared drink prepared for him,  
And dainty sweetmeats deftly made,  
Before the hermit's guests were laid.<sup>56</sup>

**Liquors.** Wine is referred to as an article of general consumption in all early literature. "Let wine drinkers drink wine, let the hungry eat Payasha, and those who are inclined to it eat clean meat."<sup>57</sup> The Brahmins were later on prohibited its use. Palm-wine must have been in use very early; mostly the liquors were

obtained by distillation. The Ramayana refers to a beverage of this sort procured from fruits and the sugarcane. Manu refers to three varieties of wine according as the liquors were distilled from molasses ( gaudi ), bruised rice ( paishti ), and the flowers of the Mahua tree ( madhvi ). The two former may be equivalent to the arrack and the rum of our times.<sup>53</sup> Regulation of the liquor traffic was a special concern of the State. It was placed under a superintendent. The sale of liquor is to be centralised or decentralised in accordance with the requirements of demand and supply. Liquors were not allowed to be taken out of villages; and the liquor shops were arranged at some distance from each other. Bad liquor was given sometimes to slaves or workmen in lieu of wages. Liquor could be sold to persons of well-known character in very small quantity, " lest workmen spoil the work in hand, and Aryas violate their decency and virtuous character, and lest firebrands commit indiscreet acts." On special occasions people were allowed to manufacture white liquor, arishta for use in diseases, and other kinds of liquor. On the occasion of the festivals, fairs, and pilgrimage, right of

manufacture of liquor was allowed for four days. Normally those who dealt with liquor other than that of the king had to pay five p. c. as toll. The Arthashastra refers to Medaka, Prasanna, Asava, Arishta, Maireya, and Madhu as varieties of liquor.<sup>59</sup>

**Spices and perfumery:** India is the mother country of spices: and pepper was particularly exported from the southern parts of India to the western world. The sandal wood and the aloe were in common use in India. Frankincense was daily used in worship. "The inhabitants (when Bharata entered the capital, after having watered the streets, had sprinkled them with sands and garnished them with flower pots, ranged in order, and containing frequent plants in full blossom. The city was adorned with garlands, and exhaled the odours of frankincense and sweet smelling perfumes".<sup>60</sup> Sandal and aloe wood were brought as presents by many kings to Yudhisthira. Heeren says that frankincense was imported from Arabia and was not indigenous. However Mr. Colebrook has shown that the resinous gum called the olibanum ( the frakincense of the ancients ) is an indigenous production.<sup>61</sup>

**Horses:** Sindh horses were very famous; and a large traffic in them is reported. "Sindh horses of the noblest breed stood harnessed at the palace gate."<sup>62</sup> "Four Sindha horses were yoked, therein white as lilies, swift as the wind."<sup>63</sup> "It happened once that the Bodhisatta was born into a trader's family in the northern province. Five hundred people of that country horse-dealers, used to convey horses to Benares, and sell them there."<sup>62</sup> In another place we are told that some horse-dealers from the north brought down five hundred horses for sale<sup>65</sup>

#### IV

**1. Transport: Land transport. Vedic India. Roads.** The pathmaking is referred to in the Rigveda. All movements of men - particularly that of trade - presupposed the preparation of huge roads connecting village with village, and town with town. It is equally necessary that these roads must be well guarded against the possible attacks of thieves or wild beasts. "Give us good paths for travel; guard us well at home. Now we have entered on the road that leads to bliss; without a foe; the road whereon a man escapes all enemies and gathers



wealth. "66 " I praise with eloquence him who guards all Pathways. "67 " On good and evil ways be thou our Leader, thou who art known to all as Path-preparer. Bring power to us, O Indra, with thy horses; steeds that are best to draw broad-backed, unwearied. "68 " May we find paths all fair and good to travel. "69 " May these give us to-day broad paths for travel. "70 Sorrows are bidden to pass away as cart-drivers avoid bad roads. "71 The high road between two villages was called mahapatha. "72 " What many roads thou hast, for people to go upon, a track for the chariot, and for the going of the cart, by which men of both kinds excellent and evil, go about, - that road free from enemies, free from robbers, may we conquer. "73 Roads were often lined with trees, specially the Ashwattha and Nyagrodha. "74

It was not enough, as we said, to have excellent roads: it was equally necessary to protect them from all types of insecurity. Danger of thieves and robbers was great. " Another thief-like, watches well the ways, and knows the places where the treasures lie. "75 " Sarama's son, bark at the robber and the thief. "76 " Who lurks about the path we take, the robber

a guileful heart; far from the road him chase away. ”<sup>77</sup> “ Him who waylays, yea, him who would destroy us, — aim at him, pierce him with thy sharpened weapon. ”<sup>78</sup> “ If any wolf or robber fain would harm us, therefrom, O Varuna, give thou us protection. ”<sup>79</sup>

2. **Vehicles.** From the earliest times we see a fair amount of the development of vehicular traffic. The one great agency for traffic was the beast of burden, the ox, or the mule, or the donkey. More developed agency was the cart or wagon. The *Shakata* is old as the *Vedas*. The *Ratha* or chariot is a refined carriage suited to persons of position. Carts as well as chariots were drawn by oxen, or mules, or horses. These were the chief means of transport.<sup>80</sup> The rough carts suited to rough roads were also there known as *vipathā*.<sup>81</sup> Car — oxen were emasculated ( *mushka-barha* ).<sup>82</sup> It was considered disreputable for a rich man to drive in a one-horse car. “ Men come not with one horse to sacred sessions. Thus they obtain no honour in assemblies. ”<sup>83</sup> Two horses were usually yoked to a chariot and sometimes four. Horses were well tended; they were cleaned and bathed.<sup>84</sup>

Where are your horses ? where the reins ? how...

came ye? how had you the power? Rein was in nose and seat was on back. The whip is laid upon the flank. The heroes stretch their thighs apart, like women when the babe is born."<sup>86</sup> Another hymn goes on: "Strong be the pair of oxen, firm the axles, let not the pole slip, nor the yoke be broken, may Indra keep the yoke pins from decaying, attend us then (O chariot), whose fellows are uninjured." "Give us enough to lade a thousand wagons"<sup>87</sup> One hymn refers to fair fruits of earth borne home in wains.<sup>88</sup>

### 3. Land Transport—Later times. Roads.

India was connected by a network of roads from early times. But as centralization advanced, it was found necessary to lay out vast roads in all directions linking up the various parts of an empire both...strategically and commercially. It was perceived that communications are the very arteries of a great empire, which will send its pulsations to all the parts through them.

Kautilya discusses the comparative usefulness of various kinds of roads. It is said that a trade route by water is better than than a trade-route by land, because it is less expensive and productive of large profits.

But Kautilya says 'no'; for water route is liable to obstruction, not permanent a source of imminent dangers, and incapable of defence, but a land route is of reverse nature. Of water-routes, one along the shore and another in mid-ocean, the route along and close to the shore is better, as it touches at many trading port towns; likewise river navigation is better, as it is uninterrupted and is of avoidable or endurable dangers.

Of land-routes, that which leads to the south is better than that which leads to the north, for with the exception of blankets, skins, and horses, other articles of merchandise such as conch-shells, diamonds, precious stones, pearls, and gold are available in plenty in the south. Of routes leading to the south, either that trade-route which traverses a large number of mines, which is frequented by people and which is less expensive or troublesome, or that route by taking which plenty of merchandise of various kinds can be obtained is better. On the same principle the selection of trade-routes leading either to the east or the west should be made.

The types of roads described are of all varieties. The roads were classified (1) according

as they were used by beasts of burden, men on foot, or in conveyances; (2) according to the destination they led to. The most important was the king's highway or the Rajmarga. There were usually six such roads—three running from west to east, and three from south to north. They were constructed from the palace in all directions. The best rajmarga should be 30 cubits wide, the average 20 cubits, and the worst 15 cubits only. These rajmargas were both in towns and villages and used for the conveyance of marketable commodities.

Other kinds of roads of the first type were: the rathya or a rathapatha; the mahapashupatha or the small pashupatha; the chakrapatha, the pada-patha, the amsapatha. The rathya was the chariot road. It was four dandas or 32 feet wide; the rathya patha was for smaller chariots; it was ten feet wide. The pashupatha was a road for cattle in general; that for larger animals was 8 feet wide, while the one for smaller animals was 4 feet wide. The kharoshtrapatha was meant for asses and camels: it was used in all seasons and in all soils. The cart-track (chakrapatha) was better than a padapatha: because the latter was meant for pedestrians only, while

the former admitted a larger volume of traffic. The amsapatha or shoulder patha was traversed by men alone carrying marchandise on their shoulders.

There were also roads which received their names from their destinations. The rashtrapatha was the road leading to districts. It was 24 feet wide. Other roads of the same breadth were the roads leading to pasture grounds ( vivitapatha), the roads leading to the forts called dromamukhpatha and ethaniyapatha. Roads leading to fields, military stations, cremation grounds, and villages were all 64 feet wide. There were besides roads leading to gardens, graves, and forests, each one nearly 32 feet wide and roads leading to elephant forests which were 16 feet wide. Roads passing over difficult places were known as setupatha. Other roads also are referred to such as the vishikha, the ekandha, the pratola etc.<sup>59</sup>

The roads in the city (distinguished in the Shukraniti as marga and rajmarga)<sup>60</sup> and in the villages (distinguished as padya, vithi, marga, and rajmarga) are to be made like the back of a tortoise and provided with bridges; they should be provided with drains on both

sides for the passage of water; they should be repaired every year with gravels by men who have been sued against or imprisoned; and the roads between villages and towns should be regularly lined with *serais*. The right of way was one of the important rights; and all attempts at blocking public paths were punished by the State.

4. **Vehicles.** The old conveyances mentioned in the Vedas continue to be in use in all later periods. The *Arthashastra* mentions seven varieties of chariots all ten feet high, but varying in width from 6 to 12 feet. The chariot for the gods or *devaratha*, the festal chariot (*pushparatha*) the war chariots (or the *samgrāmika ratha*), and the travelling chariot (*pariyanika*) are referred to. The carts were in general use for trade purposes; the *shākata* or the big cart is contrasted with the *laghuyanam* or a small cart, and the *golingam* or one of medium size. These were all drawn by camels, bulls, or horses. The palanquins were also in use—the *shibika* and the *pithika*. *Manu* as well as *Kautilya* lay down rules for the regulation of traffic. All acts of rash driving were punished.<sup>91</sup>

5. **Land traffic.** Heeren thought that

trade by caravans was always strange to India; because the whole Pali literature was inaccessible to him. It was indeed occasionally resorted to, as we find from the episode of Nala, where Damayanti in her flight is represented to have joined a caravan of merchants. But the beasts of burden made use of in this instance were tame elephants; and the caravan in question belonged to some royal personage. It was not a company of private persons. Camels could not be as extensively used in India as in Arabia, because a large part of India is covered with rocky mountains. However, the multitude of pilgrims and penitents who were continually resorting to places of sanctity may be said to have compensated for the want of caravan traffic, according to him. Markets and fairs would inevitably arise to meet the wants of these people. The following description of a gathering at Hardwar throws some light on the economic possibilities of such places. " This fair is an annual assemblage of Hindus, to bathe for a certain number of days in the water of the Ganges, at this consecrated spot. The multitude collected here on this occasion might with moderation be computed at two



and half a half millions of souls millions of souls. Although the performance of a religious duty is their primary object, yet many avail themselves of the opportunity to transact business, and carry on extensive annual commerce. <sup>192</sup>

But trade in caravans is perhaps very early developed in India: and the fact of the Panis putting up a fight with their enemies possibly shows that even then the people used to move in large formations for the purposes of trade. In fact it could not be otherwise, owing to the insecurity prevailing all over the country. The Vaishyas or the Sarthavahas used to transmit goods from one place to another. They employed the *Gomis* ( or Banjaras of the modern times ; as they were called in the Mahabharata. The Gomis kept hundreds of bullocks for transporting grain and other commodities. It was the duty of the king to treat these Gomis kindly and tax them lightly. They were a nomadic people owing allegiance to no particular king, but a sort of international body moving from place to place and supplying the wants of these places by carrying on traffic in things.

The Jatakas, however, give very concrete evidence of an extensive traffic that was carried

on in those days, and the ways and means of it. Once the Bodhisatta was born into a trader's family. When he grew up he used to travel about trading with five hundred carts. On one occasion he came to a sandy wilderness sixty leagues across. As soon as the sun got up, it grew as hot as a bed of charcoal-embers. Accordingly those traversing it used to take firewood, water, oil, rice, and so forth on their carts, and only travel by night. At dawn they used to range their carts in a circle with an awning spread overhead, and after an early meal used to sit in the shade all day long. Travelling on this desert was like voyaging on the sea. "Desert pilot" as he was called, had to convey them over by a knowledge of the stars. And this was the way in which our merchant was now travelling that wilderness. When he had some seven miles before him he thought to himself: 'to-night will see us out of this sandy wilderness.' So after they had their supper, he ordered the wood and water to be thrown away, and yoking his carts set out on the road. In the front cart sat the pilot upon a couch looking up to the stars, and directing the course thereby. But so long had he been

without sleep that he was tired and fell asleep with the result that he did not mark that the oxen had turned round and were retracing their steps. In the morning they were again at their original place. Then the Bodhisatta ranged to and fro until he came on a clump of kusha grass.

This grass could only have grown up thanks to the presence of water underneath. He began to dig the ground, till water in the hole rose as high as palm tree. Everybody drank and bathed and in the evening proceeded to the destination. There they bartered away their goods for twice and four times their value and returned.<sup>92</sup>

Another story relates how a certain wealthy Brahmin who traded with five hundred wagons was travelling from the east in a westerly direction; and he paid a thousand pieces of money to the people who lived at the entrance of the forest bidding them convey him safely through it and set out on the road with them. He placed all his caravans in front of him; and having bathed and annointed himself and put on a sumptuous apparel he sat himself in an easy carriage drawn by white oxen, last of all<sup>93</sup>

Another story records an instance of an interesting competition. The Bodhisatta had loaded five hundred carts with costly wares of Benares

and had got them all ready to start. And so had a foolish young merchant too. Thought the Boddhisatta : " If this foolish young merchant keeps me company all along and the thousand carts travel along together, it will be too much for the road; it would be a hard matter to get wood, water, and so forth for the men, or grass for the oxen. Either he or I must go first." He therefore asked the other merchant " would you rather go first or last?" The other thought, " there will be many advantages if I go on first. I shall have a road which is not yet shut up; my oxen will have the pick of the herbs for curry; the water will be undisturbed; and lastly I will fix my own price for the barter of my goods." The Bodhisatta, on the other hand, saw many advantages in going last; " those who go first will level the road where it is rough; their oxen will have grazed off the coarse old grass, while mine will pasture on the sweet young growth which will spring up in its place; where there is no water the first caravan will have to dig to supply themselves and we shall drink at the well they dig. Haggling over prices is killing work; whereas I following later, shall

barter my wares at the prices they have already fixed.'<sup>95</sup>

Five kinds of wildernesses are mentioned: robber wilderness, wild beast wilderness, drought wilderness, demon wilderness, and famine wilderness.<sup>96</sup>

Preparations were made to keep fresh means of transport ready at convenient distances when the journey was long.

Once the Bodhisatta was born into a family of foresters. When he grew up he took the lead of a band of five hundred foresters, and lived in a village at the entrance to the forest. He used to hire himself out to guide men through it. The usual fee was a thousand pieces for-escort through a forest.<sup>97</sup>

## 6. Trade routes and Commercial Objectives.

1 East to West:—The overland caravans are sometimes represented as going 'east and west'. Such caravans may have been bound from Benares, the chief industrial and commercial centre in those days, across the deserts of Rajputana, westward to the sea-ports of Bhainkaccha, the modern Broach, and the sea-board of Sovira and its capital Roruka.

2 North to South-east:—Anathapindikā's

caravans travel south-east from Savatthi to Rajagaha and back ( about three hundred miles ) and also to the ' border ' probably towards Gandhara. The route in the former journey was apparently planned to secure easy fording of the rivers by following the foot of the mountains to a point north of Vesali, and only then turning south to the Ganges.

**3 North to South-west:—**Another route south-west from Savatthi to Patitthana with six chief halting places is given in the Sutta Nipata. We are also told of traders going on from Videha to Gandhara, from Magadha to Sovira, from Bhurukaccha round the coast to Burma, from Champa to the same destination. Northward lay the great trade route connecting India with central and western Asia, by way of Taxila in Gandhara, near Ravalpindi. Megasthenes also alludes to the " Royal Road " connecting Patliputra with the Indus valley.<sup>13</sup>

# **XI. Trade and Transport.**

## **II Foreign.**

### **Trade Organisation.**

**I. Transport. Water traffic Internal trade:** Water transport may be viewed under two heads: river traffic and overseas traffic India is, above all, a land of rivers. Communications of water here have been developed side by side with land communications. Many references to boats and ships are scattered all over early literature-but specially in the Rigveda. "May Indra bear us in a ship, safely beyond all enemies".<sup>1</sup> "Varuna Mitra, may your path of order bear us over trouble as a boat over waters".<sup>2</sup> Ferries for crossing the rivers are mentioned both in the Buddhist and Sanskrit literature. River navigation and the coasting trade afforded unusual facilities for transporting merchandise. The Ganges and its tributary streams were the grand commercial routes of Northern India. Arrian says that the commercial intercourse between the eastern and western coasts was carried on in country-built vessels, and the

roaring traffic in pearls from remote antiquity implies an existence of water traffic along the coasts from a very early time.

Ship building was a regular industry from early times giving employment to many; but towards 325 B. C. we find it organised as a special department under a government superintendent. Alexander's passage of the Indus was effected by means of boats, supplied by native craftsmen. A stupendous fleet was formed of all available boats, numbering according to Ptolemy about 2,000 vessels, which accommodated 8000 troops, several thousand horses, and vast quantities of supplies. All these vessels, says Dr. Vincent Smith, "were built entirely of Indian wood by the hands of Indian craftsmen".<sup>3</sup> The demands of the river traffic must therefore have been very considerable to give rise to this great industry.

The evidence of Kautilya entirely agrees with the evidence of Strabo regarding the State monopoly of shipping. Ships were built in the royal ship-yards. The ship-builders were salaried public servants, and were not permitted to work for any private persons. Ships were let out on hire both to those who undertook voyages and



to professional merchants. The superintendent of ships had a general supervision over the navigation of the oceans as well as inland navigation of the oceans as well as inland navigation on rivers and lakes, natural and artificial. One of his main duties was the collection of port duties which were regularly levied on all villages on seashore, or on the banks of rivers, or lakes. Fishermen, merchants, passengers had to pay their customary taxes. The various ferry fees also indicate a "brisk trade and throbbing commercial life". The freight for taking a vehicle across a ferry is one pana, that for taking a load which can be carried by a man across a ferry, is half a pana. the freight for taking a beast or a woman across a ferry is a quarter pana, and that for taking a man without luggage is one-eighth pana. Ferry rates in respect of vehicles full of goods or merchandise should be determined according to the preciousness or otherwise of those commodities, those in respect of indigent persons and empty sacks and gunnybags must be very small. The hire of the boat should be proportionate to the distance of the journey, and must be determined in consideration of the nature of the

season and the current of the river. Pregnant women till during the second month of gestation, sages who have taken the vow of asceticism, Brahmins, and Brahmacharins are exempted from paying ferry tolls.<sup>4</sup>

It was also a part of the superintendent's business to enforce many harbour regulations. He shall show fatherly kindness to a weather-beaten ship arriving at a port town; pirate vessels or those bound for the enemy country are to be destroyed. Fording or crossing the river without permission at an improper time or place was prohibited. A passport however was granted to fishermen, carriers of fire wood, grass, flowers, fruits vegetable-dealers, herdsmen, detectives, messengers, servants of the army and vendors of necessities of life, to cross the rivers at all times and places.

Several classes of water routes are mentioned: first, the ordinary river-routes, and the ordinary water ways or canals ( Kulya ). Water transport was cheap but risky. Secondly, there were the routes for coastal traffic. Lastly, there were ocean routes carrying on overseas traffic.<sup>5</sup>

Many types of vessels are referred to: the boats used for pearl fishing; the big boats for

water-floods that animated ship with wings to fly withal. Four ships most welcome in the midst of ocean, urged by Ashwins save the son of Tugra, him who was cast down headlong in the waters, plunged in the thick inevitable darkness."<sup>11</sup> Bhujyu, ye bore with winged things. Nasatyas, which for three nights, three days, full swiftly travelled, to the sea's farther shore, the strand of ocean, in three cars; hundred-footed, with six horses. Ye wrought that hero exploit in the ocean which giveth no support, hold, or station, what time ye carried Bhujyu to his dwelling, borne in a ship with hundred oars, O Ashwins."<sup>12</sup>

Another passage refers to its "well-oared heavenly ship, that lets no water in, free from defect." One great merchant named Bribu, gave a thousand liberal gifts to the Rishis. "Bribu hath set himself above the panis."<sup>13</sup> The panis were comparatively stingy, — and were branled as niggards. The merchant as he traces back his foot-steps, from far-off lands, where he had gone for interchange of merchandise, bursts out in a touching hymn, expressive of deep passion for home in man's heart. "Houses do not fear, do not tremble, bringing strength we come back. Bringing strength, giving wealth I come back

to the house rejoicing in my mind. Of which the traveller thinks, in which much joy dwells, the house I call. May it know us as we know it. Hither are called the cows, hither are called the goats and sheep: and the sweet essence of food is called hither to our house. Hither are called many friends—the sweet companionship of friends. May our dwellings be always unharmed, with all our men. Rich in sap, rich in milk, refreshing, full of joy and mirth, free from hunger and thirst, O house do not fear us 'To thee I turn for the sake of safety, of peace.'<sup>14</sup>

### 3. Naval activity in the Ramayana:—

The Ramayana refers to a preparation for a naval fight in which hundreds of Kaivartas are asked to lie in wait, in five hundred ships, and obstruct enemy's passage<sup>15</sup> Sugriva asks the monkeys to go to the cities and mountains in the islands of the sea in search of Sita; in another passage the land of the Koshakaras is mentioned as a possible place for Sita's confinement. Another passage refers to Yavana Dwipa and Suvarna Dwipa i. e. Java and Sumatra, of the Malaya Archipelago; another passage refers to Lobita Sagara or the Red sea.<sup>16</sup> There-

were in Ayodhya "envoys sent by distant kings, and merchants with their precious things" <sup>17</sup>

#### 4. Naval activity in the Mahabharata.

The Pandavas were able to escape from the destruction planned for them by following the friendly advice of Vidura, who kept a ship ready and constructed for the purpose, provided with all necessary machinery, able to defy hurricanes <sup>18</sup> The description of the Rajasuya sacrifices is full of allusions to various countries outside India with which she had intercourse. Sahadeva is credited with a conquest of many islands of the sea. Many passages allude to the ship-wreck of vessels in a wide ocean. True knowledge is once compared to the gain which a merchant derived from sea-borne trade. The Romans (Ramakas) had brought precious presents for the emperor Yudhisthira at Delhi or Indraprastha. <sup>19</sup>

5. Evidence of the Sutras: Dr. Buhler writes: "References to sea voyages are also found in two of the most ancient Dharma Sutras. Bandha. Dh. S. II. 2 forbids them to the orthodox Brahmins, and prescribes a severe penance for a transgression of the prohibition; but he admits

Dh. S. I. 2, 4 that such transgressions were common among the Northerners or strictly speaking the Aryans living north of the author's home, the Dravidian districts. The forbidden practices mentioned in the same sutra as customary among the Northerners such as the traffic in the wool and in animals with rows of teeth (horses, mules etc) leave no doubt that the inhabitants of the western and north-western India are meant. It follows as matter of course that their trade was carried on with western Asia. The same author, Dh. S. I. 18. 14. and Gautama X. 33, fix also the duties payable by ship-owners to the king."

6. Evidence of Manu:—Manu refers to sea-faring Brahmins as unworthy of entertainment at a Shraddha and expressly asks the Vaishyas to make themselves familiar with the productions and requirements of other countries, with various dialects and languages and with all that has reference to purchase and sale. The rate of interest on the money lent on bottomry is to be fixed by experts in sea voyages or journeys by land. Manu also lays down rules for marine insurance holding the sailors collectively

to the goods of passengers, except when the damage is due to an accident beyond human control.

**7. Evidence of Arthashastra:** Various expressions in the Arthashastra suggest that commerce was carried on with distant countries during Chandia Gupta's time: for example, parvishayikah, samudrah, Sarthyanayatrani, deshkalantaritanam tu panyanam. It is also explicitly said that a kind of sandal-wood called kaleyaka was imported from Svarnabhumi or Burma, fabrics of Chinese manufacture were imported from China, and aloe-wood, and gems of various kinds were imported from Ceylon. ( Parasamudra )<sup>20</sup>

**8 Evidence of Pali literature:** The Jatakas are full of stories of extensive sea-voyages undertaken by merchants for purposes of trade. Once five hundred trading folk took ship and set sail and on the seventh day when they were out of sight of land, they were wrecked in mid-ocean, and all save one man became food for fishes.<sup>21</sup> Another story relates how a few merchants got ready a ship and engaged the services of the blind but wise Supparaka as a skipper. They then sailed in their ship upon the

high seas. Then an unseasonable wind arose until she arrived at the Khuramala sea. In it diamonds were found. In another sea gold, in a third silver, in a fourth emeralds, in a fifth coral, were found.<sup>22</sup> Another story relates how a body of carpenters being harassed by their creditors build a ship and migrate to some unknown island, and there to try to establish a colony. Here they were anticipated by one man who used to think: "No such happiness as this they know who dwell in India and plough and sow; better to me is this island than India"<sup>23</sup> Another story relates the adventures of a young man who wants to seize his father's kingdom of which he is deprived. In order to get hold of money, he takes to trade, puts his stock in trade on board ship with some merchants bound for Suvanna-bhumi. "My son" the mother said, 'the sea has few chances of success and many dangers, do not go' But he would go. There were seven caravans with their beasts embarked on board. In seven days the ship made seven hundred leagues, but having gone too violently in the course, it could not hold out.<sup>24</sup> One merchant got his wealth exhausted by charity. 'My store of



wealth once gone, I shall have nothing to give. While it is still unexhausted, I will take ship and sail for the gold country, whence I will bring back wealth.' So he caused a ship to be built, filled it with merchandise; and bade farewell to his wife and child. On the seventh day his ship sprang a leak in mid-ocean, and he was miraculously saved by a kind fairy in a magic ship 800 cubics in length, 600 in width, and 20 fathoms deep.<sup>23</sup>

In the Question of the King Milinda, the various parts of a ship are described as well as the ship as a whole. "Just as a ship, O king, by the combination of quantities of the different kinds of timber of which it is composed, conveys many folk across. And again, O king, as the ship journeys over the great ocean, immeasurable and infinite though it be without a further shore unshaken in its depths, roaming with a mighty noise, and filled with a crowd of fish, and monsters, and dragons of all sorts." The anchor is said to fasten the ship and keep it still, the mast carries ropes and braces and sails. The pilot knows all that is in the sea, whether good or bad, puts a seal on the steering apparatus lest any one should touch it, and

navigates a ship, day and night, with continuous zeal. The sailors are hirelings and work for wages.<sup>26</sup>

Thus we find various commercial objectives mentioned: Bharnkachaha, Savannbhumi ( Burmah ), Sobhira ( Ophir ). Tambapanna dipa ( Ceylon ), Baveru ( Babylon ), China is mentioned in later literature, in the 'Questions' of the King Milinda. " Just O king, as a shipowner who has become wealthy, by constantly levying freight in some seaport town, will be able to traverse the high seas and go to Vanga, or Takkola, or China, or Sovira or Surat, or Alexandria, on the Koromandal coast, or further India, or any other place where ships do congregate."<sup>27</sup>

9. **Pliny's evidence:** The tonnage of the vessels is 3000 amphorae. In making sea-voyages the Ceylon mariners make no observations of the stars and indeed the greater Bear is not visible to them, but they take birds out to the sea with them, which they loose from time to time and follow the direction of their flight as they make for land. This is also confirmed by the evidence of the Buddhist literature. Thus Dr. Fick observes: " Also another thing which the Indians employed, like the seafaring Phoenicians and Babylonians of ancient

times for finding the direction during navigation; we find mentioned in the Jatakas, namely, 'the direction—giving crowa.' ( disba-kaka ). They showed the navigators, when they lost sight of the land, as they flew towards the land in what direction the coast was to be found."<sup>28</sup> Pliny refers to the evidence of Cornelius Nepos who mentions the case of some Indians, who sailing from India for the purpose of commerce had been driven by storms into Germany. It is however for us to conjecture whether the Indian adventurers sailed round the Cape of Good Hope through the Atlantic ocean, and thence into the Northern seas, or whether they made voyage still more extraordinary, by passing the island of Japan, the coast of Siberia, and thence round Lapland and Norway into the Baltic ocean."<sup>29</sup>

## II

**1 Antiquity of Indian Trade with Foreign Countries:**—There is an ample body of most-reliable evidence attesting the existence of a vast traffic between the Indian and the outside countries from the very earliest times.

(1) The Rigvedic references to ships and merchants sailing out into the open main for 'the sake of riches,' braving the perils of the

deep " where there is no support nothing to rest upon or cling to," imply the existence of Indian sea-borne trade in the very beginning of recorded time, probably with Chaldaea, Babylon, and Egypt.

( 2 ) Dr. Sayce maintains that the commerce by sea between India and Babylon must have been carried on as early as 3000 B. C. when Ur Bagas the first king of United Babylonia ruled in Ur of the Chaldees.<sup>30</sup> The proof is the presence of Indian teak in the ruins of Ur. It is possible as Mr. Hewitt suggests that teak must have been exported from the Malabar coast. The use of the word *Sindhu* for muslin in an old Babylonian list of clothes is another proof of the same.<sup>31</sup>

(3) Shalmaneser IV. of Assyria ( 727-722 B. C. ) received presents from Bactria and India, especially Bacrian camels and Indian elephants.<sup>32</sup>

(4) The story of Baveru Jataka, Dr. Buhler is of opinion that " the story indicates that the Vanias of the Western India undertook trading voyages to the shores of the Persian gulf, or its rivers in the 5th perhaps even in the 6th century B. C. just as in our days. This trade very probably existed already in very much earlier times." It is an interesting story.

Some merchants came to the Kingdom of Baveru bringing with them on board ship with them a foreign crow. At that time it is said, there were no birds in Baveru. The natives of Baveru were charmed by the colour of its skin, the jewel-like eyes and beaked mouth and approached the Indian merchants, saying 'Sirs, give us this bird.' "Then take it at a price." "Give it us for a single piece of money." "We will not sell it for that." Gradually increasing their offer, the people said "Give it us for a hundred pieces of money". The natives then put it in a golden cage and fed it with various things. The next time these merchants brought a royal peacock. The people were highly delighted with it and bought it for a thousand pieces. The peacock now got all the honour; and the poor crow lost its prestige.<sup>31</sup>

( 5 ) " In the abundant booty, loading the vessel of Pharoah for conveyance to the land of Egypt appear a great many Indian animals and products not indigenous to the soil of Yemen—elephants, teeth, gold, precious stones, sandal-wood, and monkeys. " ( *His Anc. del. Orient. Ind. Ant. Vol. XIII p. 228.* )

The presence of indigo, tamarind wood, and

other Indian products has been detected in the tombs of Egypt; and Lassen also has pointed out that the Egyptians dyed cloth with indigo and wrapped their mummies in Indian muslin.

( 6 ) The Old Testament also alludes to Indian trade with Western Asia and Palestine. Prof. Ball says: " Even in the Mosaic period ( 1491-1450 B. C. ) precious stones which were to a great extent a speciality of India and the neighbouring countries, appear to have been well-known and very highly valued ". A passage in the Book of Genesis refers to a company of traders with their camels bearing spices, balm, and myrrh, going to Egypt. Now India alone supplied in the days of Solomon ( 1015 B. C. ) the ivory, garments, armour, spices, and peacocks, which found customers, in ancient Syria. It is again stated that the ships of Solomon came to Ophir and fetched from thence gold, plenty of almug trees, precious stones and the like. The Book of Ezekiel mentions ivory and ebony, commodities which are undoubtedly of Indian origin. Dr. Caldwell has pointed out how the word 'peacock' is rendered by *tuki* in the Bible, which corresponds to Tamil-Malayam name *tokei*, the bird with splendid tail. The

Hebrew words *ahalim* or *ahaloth* meaning 'aloes' correspond to the Tamil-Malayalam *aghil*.

### III

#### I Trade with Western Asia. Trade routes.

Mr. Kennedy mentions three possible routes for a trade between western Asia and India. The first climbs up the precipitous and zigzag passes of the Zagros range into the treeless regions of Persia. This route was barred for centuries by the inveterate hostility of the mountaineers. The second route traverses the mountains of Armenia to the Caspian and Oxus, and descends into India by the passes of the Hindu Coosh. There was trade going on this way from very early times; but the trade was of little importance, fitful, intermittent, and passing through intermediate lands, until the Parthian domination forced trade into this channel. Lastly, there is the sea, and this alone afforded a means of direct and constant intercourse.

2. Evidence of Trade with Assyria: The first traces of trade with the far East are disclosed by the Assyrian monuments. An elephant "unmistakably Asiatic" on the black obelisk of Shalmaneser (858-854 B. C.) supplies the

first certain evidence of intercourse with India. The name was *baziati* from *vasita* skt. for female elephants. The elephant must have travelled over the passes of the Hindu koosh. The poet prays in the Rigveda VIII. 78. 2 to Indra for " a jewel, a cow, a horse, an ornament, together with a golden Mana. " If the poet means the Assyrian *Maneh* it would go far to prove a regular commerce with Assyria.<sup>40</sup>

### 3 Evidence of Trade with Babylon:—

(1) The story of Baveru Jataka relates the adventures of Indian merchants who took the first peacock by sea to Babylon.

( 2 ) Two rough logs of teak-wood are found in the temple of the Moon God at Ur, which was rebuilt by Nebuchadnazzar.

( 3 ) The Greeks very well knew certain Indian commodities by their Indian names in the fifth century B C. Rice, called in the Greek language after its Tamil name *arisi*, was a common article of food in the time of Sophocles. The Greek word for peacock is also derived from the Tamil word *tokei*; and Aristophanes often mentions the peacock. Peacocks and Indian sandal-wood were well-known under their Tamil names in Palestine from the days of Solomon.



The Babylonian commerce ceased after 480 B. C. so these articles must have been imported a little earlier.

#### 4. General Features of Babylonian Commerce with India:

Babylon imported specially gold and silver, precious stones, ivory, ebony, the sandal - wood, peacocks and dogs from India. " The chief demand however, was for the frankincense, the cinnamon, Cassia, myrrh, and fragrant woods from outside countries.

Who carried on this vast trade? Probably in the earliest days, the Phoenicians were the sole masters of the Eastern seas. With the departure of the Phoenicians much of the sea-borne traffic of the Persian gulf probably passed into the hands of caravans from Arabian emporia. The Chaldeans next emerged as the sea-power in the 9th century B. C. Strabo informs us that they carried on an active trade from Gherrah with India.

Baudhayana condemns the Northern Aryans for taking active part in the sea-borne trade; yet evidently they were not the chief agents in this trade. The commerce was chiefly in the hands of the Dravidians, although Aryans had

a share in it. Lassen has also shown that the Indian traders had settled in Arabia, and they had settled also on the east coast of Africa. Some of them also settled in China; and they had their settlements in Babylonia also.

The commerce of Babylon with India must have its share in building up the greatness of Babylon, which reached the zenith of her glory in the sixth and seventh centuries B. C. She now suddenly appears as "the greatest commercial mart of the world. There was no limit to her riches or her power. She arose, and utterly overthrew her ancient rival and oppressor Nineveh. With Nebuchadnezzar she became the wonder of the world. No other city could rival her magnificence...The merchants of all countries made here their resort...Her commerce fell no whit behind her splendour, as her tablets signify. But the secret of her greatness lay in her monopoly of the treasures of the East, in the shouting of the Chaldeans in their ships, and the swarthy orientals who frequented her bazaars. Pharaoh Necho (612-596 B. C.) vainly sacrificed his subjects in order to reopen the canal which Seti I. had made from the Nile to the Red Sea; and he dispatched the Phœnician fleets round Africa in the hope of

discovering a new world for commerce. And thus long ago, the rivalry of the Spaniards and Portuguese for the treasures of the Ind which led to the discovery of America, was anticipated and equalled by the rivalry of Babylonians and Egyptians and by the circumnavigation of Africa, when the world was as yet one and twenty centuries younger. "42

5. **Trade with China:** China was the only country in the north with which India developed commercial relations. Nature has placed serious obstacles in the way of such intercourse such as inaccessible mountains, and pathless deserts. Yet from very early times the two countries had commercial intercourse with each other. References to China and Chinese manufacture are scattered abundantly over the Ramayana, the Mahabharata, and later books like Arthashastra. Silken stuffs were universally used among the rich people; and China was the classic land for the production of silk. It was called in the Ramayana, the land of Koshakaras or the land where grows the worm which yields the threads of silk clothes. In Sanskrit literature the silken cloth is known as chinamshuka or chinachela-which means the cloth from China. The Periplus

also refers to silk stuffs and spun silk as articles for foreign importation "The manufacture of silk amongst the Chinese claims high antiquity, native authorities tracing it as a national industry for a period of five thousand years. From Chin the looms of Tyre were supplied with raw silk, and through these States the Greeks and the Romans obtained the envied luxury of silk tissues. The introduction of silkworm eggs into Europe was due to two missionaries who brought them concealed in a bamboo to Byzantium. The food also of the silkworm, the white mulberry is of Chinese origin."<sup>43</sup> Later on, the silk industry was established in India too; and the Rudra-Yamal-Tantra mentions a special caste or Pudrakas and Pattasutrakaras or feeders of silk-worms and silk-twisters.<sup>44</sup>

How was this commerce carried on? A few ports or places of commercial importance on the eastern side of the Indian Peninsula are mentioned in the Periplus, which give us some clue:—Masalia (or Masulipatam) famous for the manufacture of cotton piece goods; the Ganges situated on the river of the same name, where betel, pearls, and the finest sorts of muslin were sold: the peninsula of Chryse which

mentioned as the furthest part of India towards the east, comprising in fact the modern Ava, Pegu, and Malacca; to the North of this, and contiguous to the ocean lay a country in the interior of which was the large city of Thina from whence raw and spun silk and silk stuffs were conveyed by land through the country of the Bactrians to Barygaza and also by the Ganges to Limyrica. Thina whether the same as Pekin or not, must have been a large town in western China, and a great emporium of silk merchandise in those parts.

The earliest traces of any connection between China and the Western world are to be found in a passage of Ktesias (quoted in *Apud Aelian His. An. IV. 27*). "The Indians who live near the Bactrians, make expeditions into the gold desert in armed companies of a thousand or two thousand men. But, according to report, they do not return home for three or four years." Now the expeditions through the desert of Cobi made in such large caravans and for such a long period of time must have been directed to China. These merchants must have been North Indians, the inhabitants of Cabul. They were represented as,

travelling through Bactria to reach India. According to the latest Russian accounts, the principal rendezvous of the caravans which set out for India, Persia, and Asiatic Russia, as well as China, is the modern Bokhara ( the ancient Bactria ) Bokhara is now, what Bactra was formerly, the grand mart of Indo-Chinese traffic. From Bactra to Barygaza, the route might have been either by land or partly down the Indus.

Another route mentioned in the Periplus by which silk was imported into India was down the Ganges to its mouth and from thence to Limyrica. This way was very short but difficult, as it must have passed the lofty mountains of Thibet. The existence of a modern route there enables us to conjecture the probability of an ancient one too. From the Ganges to Limyrica the transport of goods might have taken place by sea, as the whole Coromandal coast was navigated in those days.

The main articles of import from China were: silk and the skins from Serica ( or China ). The skins may have meant either furs or prepared leather. There is no doubt that all types of skins were extensively used and often impor-

ted in the days of the Ramayana, the Mahabharata, the Buddhist writings, and the Arthashastra. ( See Arthashastra II. 11 ).

Direct overseas intercourse with China was a late development. In the Pali literature the earliest reference to sea-trade with China occurs only in later works like the Questions of the King Milinda <sup>45</sup> Prof. Lacouperie is of opinion that the intercourse of India with China dates from about 680 B. C.; when the sea traders of the Indian ocean, whose chiefs were Hindus founded a colony called Lang-ga These were subsequently merged in the kingdom of Cambodia founded by the Hindus in the Indo-Chinese peninsula about the first century A. D. But throughout this period they had the monopoly of the sea-borne trade of Chinese in their hands, and the articles of of this trade were rubies, pearls, sugar, aromatics, peacocks, corals and the like Many embassies from Indian sovereigns who brought merchandise under the name of tribute to the Chinese court, were received by the Chinese emperors Hoti and Hiwanti ( A. D. 89-105, 153-9 ). As Mr. Kakasu Okakura remarks; " Down to the days of the Mohammedan conquest the intrepid mariners of the Bengal coast went by ancient highways of the sea, founding

their colonies in Ceylon, Java, and Sumatra, and binding Catha ( China ) and India fast in mutual intercourse,"<sup>46</sup> Later on the intercourse between the two countries received a special stimulus from the Indian propaganda of Buddhism, and the result was that at one time and in one province more than "3000 Indian monks and 10,000 Indian families,"<sup>47</sup> were there to impress their national religion and art on Chinese soil.

**6. Trade with further India:** Another direction which the commerce of India took was towards the East, that is ultra-gangetic peninsula, comprising Java, Pegu, and Malucca. The Jataka stories are full of references to an active Indian trade with the Suvannabhumi or the Golden Chersonese. All these accounts point to a complete navigation of the Bay of Bengal and the Indian ocean and flow of a steady and ceaseless traffic between Bengal and Ceylon, Madras and Burma. " Mr. Vincent Smith says: " Ancient Tamil literature and the Greek and Roman authors prove that in the first two centuries of the Christian era the ports on the Coromandel or Chola coast enjoyed the benefits of active commerce with both



Periplus. The smallest kind of vessels formed of a single piece of timber, and used for the navigation of the coast, were called *sangara*; the larger sort in which voyages were made to the Malaya Archipelago bore the name of *colandihonta*. Thus there is no doubt that there was an active traffic going on between the two Indian peninsulas; Mavaliparam ( *Marapha* of Ptolemy ) was the central point of intermediate commerce between the two in those days, as Malacca became in subsequent days.

It may be inferred from the names given to the islands-Yava, and *Suvarna dwipa*-that barley in the one and gold in the other was the speciality of these places. However the barley did not grow in Java; and hence it is conjectured that Yava may be an abbreviation of Yavana. But gold must have been abundant in the Golden Chersonese, called the *Suvarna dwipa* by the Sanskrit writers, and Chryse by the Periplus and Ptolemy. But above all, the characteristic products of these islands which first tempted the Hindus, then the Arabs, then the Europeans, were spices-the clove, the nutmeg and others.

West and East. The Chola fleets did not confine themselves to coasting voyages, but boldly crossed the Bay of Bengal to the mouths of the Ganges and the Irrawaddy, and the Indian Ocean to the islands of the Malay Archipelago. The Yavan Dwipa and the Suvarna Dwipa mentioned in the Ramayana are also identified with the islands of Java, while modern writers called it the Barley Island. Alberuni also has remarked that the Hindus call the islands of Malaya Archipelago by the general name of Suvarna island. Ptolemy remarks that the coast-line of the Malaya Archipelago was inhabited throughout its length by the Sindoi ( Hindus ).

The author of the Periplus throws some interesting light on the state of commerce between southern India and Malaya Archipelago, which received the name of Chryse from him as well as Ptolemy. However, the use in the Periplus of this term is vague as it stands for the whole region on that side of the Ganges. The Hindus traded in their own vessels in the Bay of Bengal. This is proved not only by the abundant allusions in the Jatakas and the Arthashastra, but also by the evidence in the

Periplus. The smallest kind of vessels formed of a single piece of timber, and used for the navigation of the coast, were called *sangara*; the larger sort in which voyages were made to the Malaya Archipelago bore the name of *colandiphonta*. Thus there is no doubt that there was an active traffic going on between the two Indian peninsulas; Mavaliparam ( *Malharpha* of Ptolemy ) was the central point of intermediate commerce between the two in those days, as Malacca became in subsequent days.

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The Hindu colonization of Java is one of the most brilliant achievements of the maritime activity of the Hindu race. There are two versions of it. According to one version the impulse to the colonising activity came from Kalinga. Elphinstone thus summarises the facts: "The histories of Java give a distinct account of a numerous body of Hindus from Clinga ( Kalinga ) who landed on this island civilized the inhabitants, and who fixed the date of their arrival by establishing the era still subsisting, the first year of which fell on the 75th year after Christ. The truth of this narrative is proved beyond doubt by the numerous and magnificent Hindu remains that are still existing in Java, and by the fact that, although the common language is Malay, the sacred language, that of historical and political compositions and of the most inscriptions, is a dialect of Sanskrit. The early date is almost as decisively proved by the journal of the Chinese pilgrim in the end of the 4th century who found

Fergusson also observes : " The splendid remains at Amravati show that from the mouths of the Krishna and Godavari the Buddhists of North and North-west India colonized Pegu, Cambodia, and eventually the island of Java. "30

Another legend preserved in the native chronicles of Java gives the credit of its colonization to Gujarat. The first attempt was made by a powerful prince of Gujarat named Aji Saka about A. D. 75, but he was compelled to withdraw owing to some calamity or other. Later on in A. D. 603, a ruler from Gujarat fearing the approaching destruction of his kingdom sent his son with an army of cultivators, artisans, warriors, physicians, and writers towards Java. Two thousand men more were invited, and soon an extensive commerce sprang up with Gujarat and other countries. " In comparing the relative importance of the Western and Eastern Indian strains in Java, it is to be remembered that the western element has been overlaid by a late Bengal and Kalinga layer of fugitives from the Tibetan conquest of Bengal in the 8th century and during the 9th and later centuries by bands of Buddhists withdrawing from a land where their religion was no longer honoured. "31

**7. Ceylon :** Ceylon is identified with Lanka of the Ramayana. In the Pali literature it is known as Tambapannidipa. The Shukraniti refers to the fact that Ceylon was famous for the manufacture of artificial pearls. Its existence was first revealed to Europe at the time of the invasion of Alexander whose followers called it Taprobane (from Tamraparni). Megasthenes was the first among the foreign travellers to recognise it as an island. Cosmas a merchant, who had become a monk wrote his Christian Topography about 560 A. D. Ceylon is called by him Serendip. Ceylon, according to him, was a great resort of ships from India, Persia, and Altheophia, and it likewise despatched its own

the cinnamon tree Herodotus mentions cinnamon among other articles which the Arabs brought from the south of the earth. The conch or chank shell - concha of the Romans and Sangala of the Sanskrit writers has been from the earliest times one of the chief products of Ceylon and probably a source of revenue. Chank-fishing differs from that of the pearl oyster. When the sea is calm, and the fisherman perceives in the limpid water such a chank moving in the depth, he follows its track and is sure to be led to a large chank bank, where he can obtain a rich find. The farming out of this fishery as well as the export duty placed on the shells yielded considerable revenue to the Government of Ceylon. The shell is exported in great quantities from Jaffanapatam to India where it is sawn up into rings of all sizes to form bracelets and anklets for Hindu women, especially of Bengal. Fishing for the pearl oyster takes place now as in ancient times in the gulf of Mannar.

8. Trade of India with the West: The age of the Ardhras of the South and Kushans of the North witnessed a remarkable development of the foreign trade of India. R. Sewell makes the following remarks with

**7. Ceylon :** Ceylon is identified with Lanka of the Ramayana. In the Pali literature it is known as Tambapannidipa. The Shukraniti refers to the fact that Ceylon was famous for the manufacture of artificial pearls. Its existence was first revealed to Europe at the time of the invasion of Alexander whose followers called it Taprobane ( from Tamraparni ). Megasthenes was the first among the foreign travellers to recognise it as an island. Cosmas a merchant, who had become a monk wrote his *Christian Topography* about 560 A. D. Ceylon is called by him Serendip. Ceylon, according to him, was a great resort of ships from India, Persia, and Altheophia, and it likewise despatched its own ships to foreign ports. It imported silk from Sina ( China ) and aloes, cloves, sandalwood from Eastern countries, and it exported these articles to Male ( the coast of Malabar ) where the pepper grew, to Kalliana ( or Kalyan near Bombay ), where copper, sesame wood, and materials for dress-s were produced, and to Sindu ( Sindh ) where musk or castor was got. Ceylon in fact was the centre of commerce between China and the gulf of Persia and the Red sea.

Ceylon is said to be the original home of



the cinnamon tree *Il-y-o-l-tu* mentions *cinnamomum* among other articles which the Arabs brought from the south of the earth. The conch or chank shell - *concha* of the Romans and *Sangala* of the Sanskrit writers has been from the earliest times one of the chief products of Ceylon and probably a source of revenue. Chank-fishing differs from that of the pearl oyster. When the sea is calm, and the fisherman perceives in the limpid water such a chank moving in the depth, he follows its track and is sure to be led to a large chank bank, where he can obtain a rich find. The farming out of this fishery as well as the export duty placed on the shells yielded considerable revenue to the Government of Ceylon. The shell is exported in great quantities from Jaffnapatam to India where it is sawn up into rings of all sizes to form bracelets and anklets for Hindu women, especially of Bengal. Fishing for the pearl oyster takes place now as in ancient times in the gulf of Mannar.

#### 8. Trade of India with the West;

The age of the Andhras of the South and Kushans of the North witnessed a remarkable development of the foreign trade of India. R. Sewell makes the following remarks with

reference to the commerce of the Andhra period ( 200 B. C. to A. D. 250 ) : “ The Andhra period seems to have been one of considerable prosperity. There was trade both overland and by sea, with Western Asia, Greece, Rome, and Egypt, as well as with China and the East. Embassies are said to have been sent from South India to Rome. Indian elephants were used for Syriac warfare. Pliny mentions the vast quantities of specie that found its way every year from Rome to India and in this he is confirmed by the author of the *Periplus*. Roman coins have been in profusion in the peninsula, and especially in the south. In A. D. 68 a number of Jews, fleeing from Roman persecution, seems to have taken refuge among the friendly coast-people of South India, and to have settled in Malabar. ”<sup>53</sup> “ During the Kushana period the Roman influence on India was at its height. When the whole of the civilised world, excepting India and China, passed under the sway of the Caesars, and the Empire of Kanishka marched, or almost marched with that of Hadrian, the ancient isolation of India was infringed upon, and Roman arts and ideas travelled with the of Roman gold which flowed into the

treasuries of the Rajas in payment for the silks, gems, and spices of the Orient.<sup>254</sup>

**Egypt :** In early days the Egyptian trade consisted in buying goods from their nearest neighbours on one side and selling them to those on the other side of them. Thus the Egyptians carried the merchandise of India and Arabia Felix from the ports on the Red sea to the ports on the Mediterranean. The Arabs bought goods from the caravans from India, and the Egyptians bought them from the Arabs. But the whence and the whither of this trade—its ultimate roots—remained obscure to the Egyptians.

One day the startling news was received that a strange man—an Indian who had sailed straight from India and had lost its shipmates ( 200 B. C. ) was found out in a boat on the Red sea coast. Eudoxus of Cyzicus in Asia Minor persuaded Energetes to give him the command of a vessel for the voyage of discovery with the guidance of this Indian. He reached India by sea and brought back a cargo of spices and precious stones. In the same way the Greek sailors of Energetes made a settlement in the island Dioscorides ( now Socotra ) in the Indian

ocean, and there met the trading vessels from India and Ceylon.<sup>55</sup>

King Ptolemy Philadelphus ( 285-247 B. C. ) who had intercourse with Asoka the Great, founded the city of Alexandria, which became the principal emporium of trade between East and West. It offered the passage to the goods of India and Arabia to Europe. Alexandria was connected with the sea-ports of Berenice and Myos Hormos. Strabo recorded the fact that in his day 120 vessels sailed from Myos Hormos to India. The Egyptian Greeks were the principal carriers of this trade. Thus the Greek names for rice (*oryza*), ginger (*zingiber*) and cinnamon (*karpeon*) closely resemble their Tamil equivalents, viz *arisi*, *inchiver*, and *karava* respectively. These western merchants were known as the *Yavanas* in India, and the *Yavana* is equivalent to a Greek; being derived from *laon*, the name of Greeks in their own language. It was Greek merchants, according to the *Periplus* who brought wine, brass, lead, glass etc. for sale to Muziris and Bakte and who purchased from these ports pepper, betel, ivory, pearls, and fine muslins ". These Greeks sailed from Egypt in July and arrived at Muzir in

in forty days; and sailed away again in December or January.

Rome: soon became a world-power during the period from Augustus to Nero. It accordingly acquired a control over all the trade-routes between the East and the West. During this period the Indian commerce with the West reached its height. A factor of great importance in the situation which gave great impetus to this trade was the discovery of the regularity of the monsoons in the Indian ocean. This discovery was made by Hippalus about the year 47 A. D. with the result that direct trade grew up between the Red sea ports and India. At the same time there was a sudden rise in the demand among the wealthy Romans for the luxuries of the East. This state of things called forth the protests of men like Pliny, who condemned the reckless expenditure of the richer classes on perfumes, unguents, and personal decorations.<sup>53</sup> Every year this meant the drain of a hundred million sesterces to India which sent wares in return which were sold for a hundred times their original value; such was the tragic cost according to Pliny of the Roman luxuries.

India exported to Rome spices and perfumes, precious stones and pearls, silks, muslins, and cotton. There was a huge consumption of aromatics at Rome, owing to religious and funeral customs. 210 loads of spices were strewn upon the funeral pile of Sylla. Vincent Smith writes: "Tamil land had the good fortune to possess three precious commodities not procurable elsewhere, namely pepper, pearls, beryls. Pepper fetched an enormous price in the markets of Europe...The pearl-fishery of the Southern Sea, which still is productive and valuable, had been worked for untold ages, and always attracted a crowd of foreign merchants. The mines of Padiyur in the Coimbatore district were also the only source known to the ancient world from which good beryls could be obtained and few gems were more esteemed by both Indians and Romans. The Tamil States maintained powerful navies, and were visited freely by ships from both East and West, which brought merchants of various places eager to buy the pearls, pepper, beryls, and other choice commodities of India and to pay for them with the gold, silver, and art-ware of Europe".<sup>53</sup>

## IV

# 1. Ancient Indian Commerce: An analysis: Articles of Trade: 1 Animals:

1. Handsome girls for the harem, imported into Barugaza for the king. ( 49 )

2. Tamil slaves procured at Opona, imported into Egypt ( 14 ).

3. Female Slaves, procured from Arabia and India imported into the island of Dioscorides. ( 31 )

4. Slaves imported from Omana and Apologos into Barugaza ( 36 ); and from Moundou and Malao. ( 8, 9 )

5. Horses imported into Kane for the king, and into Mouza for the despot. ( 23, 24 )

6. Simpler Mules imported into Mouza for the despot. ( 24 ).

## II. Animal products:

1. Butter or the Indian preparation therefrom called ghee a product of Ariake ( 41 ); exported from Barugaza to the Barbarine markets, beyond the straits. ( 14 ) The word according to Pliny ( XXVIII. 9 ) is of Scythian origin.

2. Chinese hides or furs exported from Barbarikon, a mart on the Indus ( 39 ). Pliny mentions the Seres sending their iron along with their vestments and hides, and among the presents sent to Yudhishtira by the Saka, Tushara and Kanka skins are enumerated.

3. Ivory: Exported from Adouli ( 6 ), Aualites ( 8 ), Ptolemais ( 3 ), Mossylon ( 10 ), and the ports of Azania ( 16, 17 ). Also from Barugaza ( 49 ) Mouziris, and Nelkunda ( 56 ); a species of ivory is produced in Desarene. ( 62 ).

4. Chinese cotton: Imported from the country of the Chinai through Bactria to Barugaza, and by the Ganges to Bengal, and thence to Dimurike ( 64 ). Vincent understands here silk in the raw state.

5. Horns: Exported from Barugaza to the marts of Omana and Apologos ( 36 ).

6. Coral: Imported into Kane ( 28 ), Barbarikon on the Indus ( 39 ), Barugaza ( 49 ), and Naoura, Tundis, Mouziris, and Nelkunda ( 56 ).

7 Coloured lac: Exported to Adouli from Ariake ( 6 ). The skt. word is laksha connected as Lassen thinks with raga from the root ranj to dye. The lac gum is a substance produced on



the leaves and branches of certain trees by an insect, both for its covering for its egg and food for its young. It yields a fine red dye. Bhagwatal points out that the colour is called alaktaka: it is used by women for dying the nails and feet.

8. Pear ( Skt. Mukta-Hindi. moti. ) Exported in considerable quantity and of superior quality from Mouziris and Nelkanda ( 56 ).

9. Silk thread: From the country of Thinai: imported into Barugaza and the marts of Dinurike ( 64 ). Exported from Barugaza ( 49 ), and also from Barbarikon on the Indus. ( 3 )

10. The Pearl Oyster: ( Skt. Shukti ). Fished for at the entrance of the Persian Gulf. ( 35 ) Pearl inferior to the Indian sort exported in great quantity from the marts of Apologos and Omana ( 36 ). A pearl fishery in the neighbourhood of Kalkhai; in the kingdom of Pandion, near the island of Epiodoras; the product transported to Argalau, in the interior of the country, where muslin robes were fabricated ( 59 ).

Pearl is also obtained at Taprobane ( 61 ), is imported into the emporium on the Ganges called Gange ( 63 ).

12. Purple: of a common as well as superior quality, imported from Egypt into Mouza ( 24 ) and Kane (28), and from marts of Apologos and Omana into Barugaza ( 35 ).

12 Rhincceros: the horn, the teeth, and probably the skin. Exported from Adonli ( 16 ) and the marts of Azania ( 7 ).

13. Tortoise: tortoise shell. Exported from Adonli ( 6 ) and Analites ( 7 ); a small quantity of the land tortoise, and a white sort with a small shell, exported from Ptolemais (3); small shells exported from Mossulon ( 10 ). a superior sort in great quantity from Opone (13); tortoise is also procured in Taprobane ( 61 ).

### III Plants and their products.

1. The aloe (agaru). Exported from Kane ( 28 ). The sort referred to is probably the bitter cathartic, not the aromatic sort supposed by some to be sandal wood. It grows abundantly in Socotra.

2. Aromatics: Exported from Aualites ( 7 ) Mossulon ( 10 ).

3. A kind of Cassia. Exported from Tabai ( 12 ) ( Asuphe : asadfae ida Skt. hingu or bablika ).

India from a very remote period. ( Pliny XXXV. 6. ) ( Vide Mo Culloch's Commercial dictionary ). " Before the American colonies were established all the indigo employed in Europe came from the East Indies and till the discovery of a passage round the Cape of Good Hope, it was conveyed like other productions, partly through the Persian Gulf and partly by land to Babylon, or through Arabia, and up the Red Sea to Egypt, from which it was transported to Europe. "61

11. Kankamon. Exported from Malao and Moundou ( 8. 10 ) It is said by some to be the exudation of wood, like Myrrh, used for fumigation, and by others to be gum-lac used as a dye. ( Pliny. XII. 44 ) It is the ' deka-malli ' gum of the bazaars.

12. Karpassus ( Skt. Karpasa : Hebrew, Karpas ) *Gossypium arboreum*, fine muslin, a product of Ariake ( 41 ).

13. Skt. Kuta. Heb. (Kiddah) exported from Tabai, Malao, Moundou, Mossulon and Opone ( 8, 9, 10, 12, 13, ) It is considered by Dr. Vincent to be a species of cinnamon. Pliny (XII. 19) states that the Cassia is of a larger size than cinnamon, and has a thin rind, and its value consists in being hollowed out.

14. Dragon's blood. Pliny calls it ' Indian cinnabar '. ( XXIX )

15. Kostus: Exported from Barbaricon (39) and from Barugaza which procured it from Kabul. This was considered the best of the aromatic roots as spikenard was the best of aromatic plants. Pliny (XII. 25) describes this root as hot to the taste, and of consummate fragrance, noting that it was found at Patalene, where the Indus bifurcates from the Delta, and that it was of two sorts black and white, black being an inferior quality.

16: Crocus: Saffron (Skt. Kashmiraja). Exported from Egypt to Mouza ( 24 ) and to Kane ( 28 ).

17. Cyprus: Exported from Egypt to Mouza ( 24 ). It is an aromatic rush used in medicine. ( Pliny XXI. 18 ) ( Hero. IV. 71 )

18. Linen: Exported from Egypt to Adouli ( 6 ).

19. Frankincense ( Heb. Lebonah, Arab. Luban, Skt. Shrivasa ) Libyan frankincense exported from the Barbarine markets-Tabai (12), Mossulon ( 10 ), Malao, and Moundou ( 8, 9 ) produced in great abundance and the best

quality at Akannai ( 11 ); Arabian frankincense exported from Kane ( 28 ).

20. Lyeium. Exported from Barbarikon in Indo-Skythia ( 39 ) and from Barugaza ( 49 ). Lyeium is a thorny plant, so called from being found in Ljka principally. Its juice was used for dyeing yellow; a liquor drawn from it was used as a medicine. It was held in great esteem by the ancients. ( Pliny XXIV. 77 )

21. Magla-kind of cassia exported from Tabai ( 12 )

22. Macer. Exported from Malao and Moundou ( 8, 9 ). The bark is red and the root large. The bark was used as a medicine in dysentery. ( Pliny XII. 8 ) ( Skt. Kutajatvak )

23. Malabathrum, Betel ( Skt. Tamalapatta ), obtained from Thinaï from the Sesatai, and exported to India. ( 65 ); conveyed down the Ganges to Gange its mouth ( 63 ), conveyed from interior of India to Mouziris and Nelkunda for export. ( 56 ). That malabathrum was not only a masticatory, but also an unguent or perfume, may be inferred from Pliny. ( XII. 59 ) From Ptolemy ( VI. II. 16 ) we learn that the best malabathrum was produced in Rangpur.

24. Honey from canes called sugar. ( Skt. Sharkara ). Exported from Barugaza to the marts of Barbaria ( 14 ). Strabo states on the authority of Nearchos that reeds in India yield honey without bees. This was a prevalent error in ancient times.

25. Melilot, Honey-lotus exported from Egypt to Barugaza ( 49 ). It is a kind of clover so called from the quantity of honey it contains.

26. An incense exported from Mossulon and Moundou ( 9, 10 ).

27. Moto: A sort of cassia exported from Tabai and Opone. ( 13 )

28. Myrrh. Exported from Egypt to Barugaza as a present for the king ( 49 ). It is a gum or resin issuing from thorn found in Arabia Felix.

29. Nard or Spikenard ( Skt. nalad ) Gangetic spikenard brought down the Ganges to Gange, near its mouth ( 63 ), and forwarded thence to Mouziris and Nelkunda ( 56 ). Spikenard produced in the regions of the Upper Indus and in Indo-Skythia forwarded through Ozene to Barugaza ( 48 ). Imported by the Egyptians from Barugaza and Barbarikon in

Indo-Skythia ( 49, 39 ). Its price is estimated by Pliny at 100 dinarii for a pound.

30. Nauplius: Exported from the marts of Azania ( 17 ). It may be the Indian cocoanut which the Arabians called Nargil (Skt. narikel.)

31. Muslin. Seric muslin sent from Thinai to Barugaza and Dimurike (64). Coarse cottons produced in great quantity in Ariake, carried down from Ozene to Barugaza (48); large supplies sent thither from Tagara also (51); Indian muslins exported from the markets of Dimurike to Egypt (56); muslins of every description, Seric, and dyed of a mallow colour exported from Barugaza to Egypt (49); Indian muslin taken to the island of Dioscorides (31); wide Indian muslins called *monakhe* i. e. coarse cotton unfit for spinning and used for stuffing beds, cushions etc. exported from Barugaza to the Barbaricon markets (14), and to Arabia, whence it was exported to Adouli (6).

32 Wine: Laodikean and Italian wine exported in small quantity to Adouli ( 6 ); to Aualities (7), Malao (8), Mouza, (24) Kane (28) Barugaza (49); sent in small quantity to Mouziris and Nelkunda (56).

33. The juice of the sour grape of Diospolis exported from Egypt to Aualites. (7)

34. Rice (Skt. vrihi) produced in Oraia and Ariake (37, 41) exported from Barugaza to Barbarine markets (14) and to the island of Dioskorides (31).

35. Long pepper—pepper (Skt. pippali) Kottonarik pepper exported in large quantities from Mouziris and Nelkunda (56); long pepper from Barugaza (49). Kottonara was the name of a district famous for pepper. Some take it to be a district about Tellicherry; others put it in Calicut country.

36. Wheat. Exported in small quantity from Egypt to Kane (28); some of it was grown in the district around Mouza (24).

37. Sugar.

38. Sandarake, a resin of faint aromatic smell and is used as an incense. Imported from Egypt to Barugaza (49), conveyed to Mouziris and Nelkunda (56).

39. Logs of sandal and sesame. Exported from Barugaza to the marts of Omana and Apologos (36).

40. The first Bengal muslins exported from the Ganges. (63); other muslins in Taprobane



(61); muslins of all sorts and mallow-tinted; sent from Ozene to Barugaza (48), exported thence to Arabia for the supplying of the markets at Adouli (6).

41. Corn. Exported from Egypt to Adouli (7) Malao (8), a little to Mouza (24) and to Kane (28) and to Muziris and Nelkunda for ships' stores (56); exported from Dimurike and Ariake into the Barbarine markets (14).

42. Myrrh. Exported from Malao, Moundou, Mossulon (8, 9, 10) from Analitez, a small quantity of the best quality (7).

43. Storax (*selaarasa* of the bazaars), one of the balsams. Exported to Kane (28), Barbarikon on the Indus (39), Barugaza (40). It is the produce of a tree which grows in the South of Europe and the Levant.

44. The Palm or dates exported from the marts of Apologos and Omana to Barugaza. (36, 37)

#### IV. Metals and Metallic articles.

1. Vessels of silver: Exported from Egypt to Mossulon (10) to Barbarikon on the Indus (39). Silver plates chased or polished; sent as presents to the despot of Mouza (24), to Kane for the king (28). Costly plate to Barugaza for the king (49).

2. Arsenic (somal). Exported from Egypt to Mouziris and Nelkunda (56).

3. Denarii: Exported from Egypt to Adouli (6). Gold and silver denarii sent to the marts of Barbaria ( 8, 13 ). Exchanges with advantage for native money at Barugaza (49). The denary was a Roman coin equal to about  $8\frac{1}{2}$  d. in value.

4. Kaltis. A coin current in the district of the river Ganges (63).

5. ( Skt. Vanga ) Exported from Egypt to Aualites (7), Malao (8), Kaue (28), Barugaza (49), Mouziris and Nelkunda (56) India produced this metal, but not in those parts to which the Egyptain trade carried it.

6. Lead ( Skt. naga ) Exported from Egypt to Barugaza, Mouziris, and Nelkunda. (49, 50)

7. Orichalcum ( Skt. tripu-pittala ) Brass. Used for ornament and cut into small pieces by way of coin. Exported from Egypt to Adouli. ( 6 ) .

8. Iron. iron utensils. Exported from Egypt to Malao, Moundou, Tabal, Opono (8, 9, 12, 13 ) Iron spears manufactured at Monza, and hatchets and swords exported from Monza to Azania ( 17 ). The Arabian poets celebrate swords made of Indian steel.

9. Stibium. ( Sanviranjana or surma ). Exported from Egypt to Barugaza ( 49 ), to Mouziris and Nelkunda ( 56 ). It is sulphuret of antimony, much used in the East for 'dyeing the eyelids.

10. Copper. Exported from Egypt to Kane ( 28 ) and Barugaza ( 49 ) Mouziris, and Nelkunda ( 56 ). Vessels made thereof sent to Mouza as present to the despot ( 24 ). Drinking vessels exported to the marts of Barbaria ( 8, 13, ). Big and round drinking cups to Adouli ( 6 ): for cooking with, and being cut into bracelets and anklets for women to Adouli ( 5 ).

11. Gold. Exported from the marts of Apologos and Omana to Barugaza ( 36 ). Gold plate exported from Egypt to Mouza for the despot ( 24 ) and to Adouli for the king. ( 6 ).

#### V. Stones.

1. Gems ( carbuncles ? ) found in Taprobane ( 63 ); exported in every variety from Mouziris and Nelkunda ( 56 ).

2. Diamonds ( Skt. vajra ). Exported from Mouziris and Nelkunda ( 56 ).

3. Gold-stone, yellow crystal, chrysolith. Exported from Barbarikon in Indo-Skythia ( 39 ).

4. Alabaster. Exported from Mouza ( 24 ).

5. Onyx. Sent in vast quantities from Ozene and Paithana to Barugaza ( 48, 51 ) and thence exported to Egypt. ( 49 ).

6. Flour-spath. Sent from Ozene to Barugaza, and exported to Egypt ( 49 ). Porcelain made at Diospolis exported from Egypt to Adouli ( 6 ); vessels of this stone were exported from India and also from Karmania to the Roman market, where they fetched extravagant prices.

7. The Obsidian stone, found in the Bay of Hanfeleh ( 5 ).

8. The sapphire. Exported from Barbaricon in skythia ( 39 ).

9. Hyacinth. Exported from Mouziris and Nelkunda ( 56 ).

10. Glass of a coarse kind. Exported from Egypt to Barugaza ( 49 ) to Monziris and Nelkunda ( 56 ). Vessels of glass exported from Egypt to Barbaricon ( 39 ). Crystal of many sorts exported from Egypt to Adouli ( 6 ); from Mouza to Azania ( 17 ).

11. Chrysolite. Exported from Egypt to Barbaricon ( 43 ), to Monziris and Nelkunda ( 56 ).

## VI. Wearing Apparel.

1. Cloths. Manufactured in Egypt and

thence exported to Adouli ( 6 ). These were disposed of to the tribes of Barbaria.

2. Cloths for the Barbarine markets dressed and dyed of various colours. Exported to Malao and Aualites ( 8, 7 ).

3. Cloth or coating for the Arabian markets exported from Egypt ( 24 ).

Different kinds are enumerated—with sleeves reaching to the wrist; with the single texture and of the common sort wrought with fingers; checkered; shot with gold; a kind of great price sent to the despot of Mouza; cloth of common sort and a cloth of simple texture and of superior quality for the king ( 28 ); of single texture in great quantity and an inferior sort imitating a better, in small quantities sent to Barbarikon ( 39 ).

4. Riding or watch cloaks. Exported from Egypt to Mouza ( 34 ), to Kane ( 28 ). It was a woollen cloak of close texture.

5. Cloths with a double fringe. Exported from Egypt to Adouli.

6. Flowered or embroidered girdles, a cubit broad. Exported from Egypt to Barugaza (49); girdles shaded of different colours, exported to

7. Garments of frieze. Exported from Arabia to Adouli ( 6 ); a pure sort exported to the same mart from Egypt ( 6 ).

8. Quilts or coverlids. Exported in small quantity from Egypt to Mouza (24) and Kana 28.

9. Sashes, girdles. Exported from Barugaza to Adouli ( 7 ) and into Barbaria ( 14 ).

10. Stuffs in which several threads were taken for the woof in order to weave flowers or other objects. Exported from Egypt to Barbarikon ( 39 ), to Mouziris, and Nelkunda 56).

11. Coarse cloths made at Arsinoe, dressed and dyed. Exported from Egypt to Barbaria. (8, 13).

12. Women's robes made at Arsinoe. Exported from Egypt to Adouli ( 6 ).

13. Tunic. Exported from Egypt to Malao, Moundou, Mossulon ( 8, 9, 10 ).

## VI. Works of Art.

Images sent as presents to Khariball. (48)  
Strabo enumerates among the articles sent to Arabia, pieces of sculpture, paintings, statues.

## V.

**The Leading Emporia:** (1) Myos Hormos in Egypt—a great trading mart upon the Red Sea Coast.

**Berenike** like Myos Hormos was a terminus of a great road from Coptos along which the traffic of Alexandria with Ethiopia, Arabia, and India passed to and fro.

2. Adjoining Berenike was **Barbaria**.

3. **Ptolemais Theron**; 300 stadia distant from Berenike. Here the hunters used to go into the interior to catch elephants. In this mart is produced the true tortoise-shell. It also produces a little ivory. It is approachable by boats.

4. **Adouli** 3000 stadia from above. It was an emporium for rhinoceros' hides, ivory, and tortoise-shell. It had not only large sea borne traffic, but was also a caravan station for the traffic of the interior of Africa.

5. **Hanfelah Bay**. 100 miles beyond Adouli. Here only the obsidian stone was found.

6. **Aualtes**. 79 miles from the straits-modern Zeyla.

7. **Malao** ( Berbereh )-mart.

8. **Moundou**: a trading port ( two days' sail from above. )

9. **Mossulon**. a mart ( Guesele now situated there )

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Canals uniting the Mediterranean with the Red Sea existed in remote times.

# 10. Cape Elephant.

11. *Mart of Aromata* marked the termination of Barbaria and the beginnings of Azania.

## Eastern Coast of Africa.

(12)	{	these import corns, rice, ghi, oil of
(13)		sesamum, fire, and coarse cotton,
Tabai & Opone.		sashes, sugar from Barugaza and Ariake.

# 14. Apokopa

# 15. Rhapsa

From Berenike across the Northern head of the gulf and along the coast of Arabia to the emporium of Mouza near the straits.

# 16. Leuke Kome

17. Mouza marks the termination of the east side of the gulf.

# 18. Eudaimon.

19. Kane (Hisn Gholab now). Here is collected all the incense produced in country.

20. Sogros-a promontory near it is an island called Dioscorides (now Socotra).

21. Moschia-it receives for export all the franksincense of sakkhalitis.

Arabia Felix-Aden-the central emporium for eastern and western goods before the discovery of regular trade-winds.



22. **Omana**—a seat of trade belonging to Persia. Barugaza had regular commercial intercourse with these Persian ports, dispatching thither large vessels freighted with copper, sandal wood, beams for rafters; horn, ebony, and receiving from them pearl, cloth, wines, dates, gold, and slaves.

23. **Barbarikon**—a trading sea-port on the Indus. Imports: clothing plain and in considerable quantity; clothing mixed; flowered cottons; yellow stones, coral, storax, frankincense, glass vessels, silver plate, specie, and wine. Exports: costus, a spice, bdellium, a yellow-dye, spikenard, emeralds or green stones; sapphires, furs from China, cottons, silk thread, indigo.

The Gulf of Cambay. ( the mainland of Ariake : Aparantika : an old name of the Western seaboard of India—Bhagwanlal ) Ariake was the beginning of India. The sea-board of Ariake was called Surashtrene—the Skt. Surashta. From Minnagar, the capital of Indo-skythia ( the wide tract watered by the river Indus in the lower part of its course ) and Ozene ( Ujjain ), a great variety of merchandise was sent down the Narbada to Barugaza. Saurashtra is a region which produces abundantly pearl, rice, the oil

of sessumum, butter, muslin, and the coarser fabrics which are manufactured from Indian cotton. It has also numerous herds of cattle.

24. **Barugaza** (Bharoach): the greatest seat of commerce in western India. "The Bhaigavas derive their designation from Bhārgava, the adjective form of Bhrigu, the name of one of the ancient Rishis. Their chief habitat is the district of Bharoach, which must have got its name from a colony of the school of Bhrigu having been early established in this Kshetra probably granted to them by some conqueror of the district." ( Dr. Wilson : Indian Castes Vol. II. ) Imports : Wine, principally Italian, Laodikean and Arabian wine; brass or copper, tin, and lead, coral, gold-stone, or yellow-stone; cloth plain and mixed, of all sorts; variegated sashes half a yard wide; storax; sweet clover; melilot; white-glass, gum, tincture for the eyes or surma; gold and silver specie; perfumes or unguents; costly silver vases; instruments of music, handsome young women for concubinage; superior wine, apparel plain, but costly, and the choicest unguents. Exports: Spikenard, costus, bdellium, ivory, onyx-stones, and porcelain, cottons of all sorts; silk, mallow-coloured cotton,

silk thread, long pepper.

25. **Ozene (Ujjain)** In the same region eastward is a city called Ozene, formerly the capital where the king resided. From it there is brought down to Barugaza every commodity for the supply of the country and export to foreign markets—onyx—stones, porcelain, fine muslins, mallow-coloured muslins, and no small quantity of ordinary cottons. At the same time there is brought down to it from the upper country by way of Proklais, for transmission to the coast Kattybourine, Patropapigio and Kabalitio spikenard; also costus and bdellium.

There is Bagh-dunger i. e. tiger\* mountain, very rich in game. On these mountains the Cornelian mines are situated from which in the most ancient times onyx and murrhina-stones were carried to Barugaza whence they were exported to Egypt and Rome.

26. **Paithana and Tagara.** Among the marts in the south country there are two of more particular importance—Paithana which lies south of Barugaza at a distance of 20 days and Tagara 10 days east of Paithana, the greatest city in the country. Paithana is Baithana now and Tagara means the present Deo-

giri. Their commodities are carried down on wagons to Barugaza along roads of extreme difficulty—that is from Paithana a great quantity of onyx-stone, and from Tagara, ordinary cottons in abundance, many sorts of muslins, mallow-coloured cottons and other articles of local production brought into it from the parts along the coast.

27. **Surat:** the district along the gulf of Surat was already called *Larike* in the west; this is confirmed by the *Lar* dynasty mentioned on coins and inscriptions. At Surat, near the mouth of the Tapti, ships of all nations from India, Arabia, and Persia, cast anchor, loaded and unloaded all kinds of goods of the East and the West.

28. **Nausaripa** ( *Navsari* ) is mentioned by Ptolemy. *Kalliena* is Kalyan near Bombay. It must have been an important place.

29. **Heptanesia.** Bombay. Pliny, Ptolemy, and the *Periplus* all agree that the pirate coast was between Bombay and Goa. They allude to *Mumbaros*, north of Bombay the true name of which is *Mumba* after the goddess of that name. Its splendid harbour fitted it for a great emporium, but its importance was inferior

even to Surat before it became a British possession. Ptolemy's expression Heptanesia ( VII. 195 ) applied to Bombay, the harbour of which may be said to be formed by seven islands : Colaba, Bombay itself, Salsette, Butcher's island. Elephanta, Caranja, and lastly a sandbank to the latter.

30. Noura, Tyndis, Mouziris and Nelkunda  
 Naura and Tyndis were the first marts of Limuriki (Tamil country). Naura is Onore now. Muziris—a city at the height of prosperity frequented by ships from Ariake and Greek ships from Egypt. The ships which frequented these ports are of large size, on account of the great amount and bulkiness of the pepper and betel of which their lading consists *Imports*: Great quantities of specie, gold-stone, chrysolite, cloth, flowered robes, stibium, coral, glass, brass, tin, lead, wine, cinnabar, arsenic, corn for the use of the ship's company. *Exports*: pepper in great quantity, ( of Kottonara ) large quantities of superior quality, ivory; fine silks, spikenard of the Gargee; betel, precious stones of all sorts; diamonds; hyacinths; tortoise-shell, from the Golden Island, and another sort from the islands off the coast of Limyrica.

31. **Komarī**-(Cape Comorin) is the southernmost extremity of India. It imported all the commodities which reached Limyrica for commercial purposes.

32. **Taprobane. Ceylon** : Called Palaisimoundou in the Periplus. It produces pearl, precious stones, muslin, and tortoise-shell.

33. **Kolkhol-Tuticorin**:-Here the fishing for pearls is carried on; the condemned criminals are employed in this service.

34. **Masalla-Masulipatam**. Here great quantities of cotton were manufactured.

35 **Khruse-Chryse** : the Golden Chersonese-the Suvarna Islands-the Malay Archipelago; the extremity of the eastern continent in the Periplus; it includes all country beyond the Ganges. Near the river stands a great emporium called *Gange*, exporting Malabathrum, and cottous, and other commodities. Ptolemy refers it to the peninsula of Malacca.

36. **Thina**: ( in China ) in the interior of the country from which silk whether in the raw state or spun into thread or woven into cloth is brought by land to Baragaza through Bactria or by the Ganges to Limurike. To penetrate it

is not easy, and but few merchants come from it and that rarely.

## VI.

1. **General characteristics of Ancient Indian Commerce:**—*The comparative absence of organisation in the world polity* and the consequent insecurity prevailing over border lands and over high seas is the fundamental fact in the commercial situation in old times. This fact accounts for many of the characteristic features of ancient trade. The existence of a body of mutual understandings between all recognised States of the world regarding interstate commerce by land as well as sea is the one solid fact upon which is erected the whole fabric of international commerce to-day. There was no such mutual knowledge in those days, much less a series of mutual understandings. Under the circumstances it was extremely hazardous to venture on commerce with distant lands. The absence of systematic geographical knowledge, the absence of international law, the prevalence of ignorance between nation and nation, the absence of high metallic roads, of efficient vehicular traffic and of scientifically organised steamships; the extreme

insecurity prevailing on the high roads, all combined to give a peculiar shape to ancient trade, and seriously limited the scope of its operations.

The contrast therefore is almost complete between ancient and modern trade. The sudden march of European civilisation after the sixteenth century, and the great advance the world has made in sciences and arts, have altogether transformed the situation.

2. **Trade by Groups:**—The one fact about ancient trade which impresses itself on the most casual observer is the fact of trade by groups, caravans, companies. Direct trade between individuals was comparatively rare. The long journeys over pathless deserts exposed to the attacks of the lawless hordes rendered combination in trade necessary. The travelling caravans were not merely commercial bodies, but often military bodies too. This we have witnessed with regard to the Panis. The travelling merchants often assumed both aggressive and defensive functions and sometimes converted themselves into pirates. Thus Prof. Maspero wrote on the Phoenicians, "It is hard to say whether they were as much merchants



as pirates and indeed they hardly knew themselves. ”

**3. Middlemen:**—Another characteristic of ancient commerce was the general absence of direct trade relations between distant countries. Everywhere the two distant places were like the two extremities of a long chain between which there was a series of intermediate links. Trade was carried on from tribe to tribe, each tribe passing on its goods to a neighbouring place, and the goods go on changing hands numerous times before they are finally delivered to the consumers. Many articles from the interior of India used to be regularly sold in European markets; but the English and the French and the Spanish had not any connection with any part of India. Goods would go from the Indians to the Arabians, from the Arabians to the Egyptians, from the Egyptians to the Venetians and from the Venetians to the other nations. The Egyptians complained that many payments had to be made for goods which “were brought from one another”. There were intermediaries between India and Egypt, between Egypt and Babylon, between India and China, between any two distant countries. As

Zimmerman remarks :—" The more primitive trade is, the greater the hold of the distributor over the producer in dealing with distant markets. "

This was of course undesirable. The intermediaries would devour much of the profit of the trade. The nations which played the role of trade became commercially very rich although they might be very poor at production. What accounts for the riches and greatness of Venice upto the 16th century is this fact of its being the great distributing centre of Eastern goods in the West. Frequent attempts were made to open up direct trade relations, sometimes successfully as by the Romans, to the great annoyance of these intermediaries. The multiplicity of middlemen was a great handicap to the growth of ancient trade and manufacture. The elimination of these middlemen and the opening up of the direct relations between the different countries are the most significant facts of modern times.

3. **Absence of Railways.**—The absence of railways in old days rendered the development of large scale traffic on land extremely difficult. Yet all over Asia a huge traffic on land was going on from the earliest times. The use of beasts of burden like the camel, often

facilitated long journeys over deserts. The Indian wagon was always the most useful instrument of transport in those days, although often a very cumbrous one. The presence of big roads very early must have been due to the strategic and military necessities of despots; but in the end it served the interests of commerce as well. "In great monarchies" observes Herren, 'erected like those of Asia by force of arms, the necessity for lines of military communication is soon sensibly felt, for the purpose of maintaining distant possessions and insuring conquests already made which can only be effected by keeping open the communications for the victorious armies.' The result was the establishment of royal highways all over Asia, constructed with an amount of cost and labour which can only be commanded by despotic governments, having the power of concentrating on a single point all the energies and resources of their subjects. A special feature of these big roads is the establishment of caravansaries at suitable distances. The establishment of such works was considered an act of special religious merit by Manu, Mahommed, and Buddha. The Shukraniti recommends the erection of these serais on

main highways. These were large quadrangular structures enclosing an open court, on every side of which was disposed a single or double row of empty chambers. These serais were meant to accommodate thousands of travellers with their beasts of burden for the night, the boarding arrangements of travellers being left entirely to themselves.

4. **Intermediate Stations**—The journeys thus undertaken by the commercial bodies were often long; hence these men were expected to take long halts at intermediate stations. It was impossible to go straight from one end of India to the other; even if it was possible, it was scarcely convenient. Suitable entrepôts therefore were established towards which many important trade routes would converge. Thus the territories Bactria and Maracunda—modern Bucharia—were the depots of the wares of Northern Asia, as well as of those imported from China across the desert of Cobi, as of those brought to the mountains from Great Thibet, and those which were conveyed from India to the Caspian. These were therefore the resting-places of caravans from those various countries. Here the goods coming from various

parts may be suitably exchanged; and then the caravans may commence their journeys again. In the same way the big Asiatic or Egyptian ports—such as Alexandria for example—became the grand marts of the East and the West; here the silver of Spain, the amber of Prussia would be bartered for example for the spices of Hindustan, and the frankincense of Arabia. India itself is so vast that suitable intermediate depots for mercantile resort were established on the main routes. Thus there was one big route from North to South-West, from Savatti to Patithena and back: the principal stations on this route were: Mahisatti, Ujjain, Vedia, Kosambi, and Saketa. Another route lay from Savatthi to Rajagaha: the stopping places were Setavya, Kapilavastu, Kusinara, Pava, Hatthi-gama, Bhandagama, Vesali, Pataliputra, and Nalanda.<sup>62</sup> The author of the *Periplus* mentions three intermediate depots: Ozene (Ujjain), Tagara, and Pluthana. Ozene was at first a mart for internal traffic; later on it became an emporium for foreign commerce, for island productions such as onyx-stone, muslins, wares, and fine calicoes, which it transmitted to Barugaza for exportation. It was probably also

a depot for the produce of more distant Northern countries. It was a resort of pilgrims as a sacred place and the residence of kings; hence it was quite natural that it became the principal depot of internal commerce. In the south, Tagara and Pluthana are mentioned as the most important commercial staples in the whole province. Tagara was Deogiri, the hill of the gods; it was celebrated for its pagodas and its proximity to the Ellora. Here also is a proof of the intimate connection subsisting between the establishment of inland commerce and religion. From Tagara, coarse and fine cotton goods, different kinds of muslins, and other indigenous productions were conveyed over different roads to the port of Barugaza to be shipped for foreign countries. Pluthana was the general market for onyx stones which were transported from it over very bad roads to Barugaza. The most active internal commerce however was carried along the course of the Ganges. Here was the royal highway extending from Taxila on the Indus through Lahore to Palibothra on the Ganges. It was calculated to be upwards of ten thousand stadia in length.

6. Passive vs. Active Trade—Some controversy has raged round the subject whe-

ther ancient Indian commerce was of a passive or active kind. Thus the Phoenicians, the Greeks, and the Arabs developed an active trade; the Babylonians, the Egyptians, and according to some the Indians had a passive trade. Heeren takes this view. Private individuals indeed were enterprising enough to pass the seas, and establish themselves in foreign countries in order to profit by commercial speculation. Thus the Rigveda refers to merchants who go to seas in pursuit of gain; the Ramayana mentions merchants who "traffic beyond sea, and bring presents to the king." Manu refers to seafaring Brahmins. All prohibitions to cross the black water were of later origin. But the body of the nation was content to have passive trade relations with the outside world. India comprised in their estimation the then known world. The geographical isolation was complete when the formidable mountain chains shut off India from Asia on one side and the ocean shut it off effectively from all other world, on the remaining three sides. But above all, "the nature of the country together with the peculiar genius of the people themselves both contributed to render Hindu commerce of

a passive rather than an active character. For as the productions of India were always in high request with the Western world the Hindus would clearly have no occasion to transport them to foreign countries themselves; they would of course expect the inhabitants of the latter to come and fetch what they wanted, and again the Hindu national character has no pretensions to the hardy spirit of adventure; while their fables abound with prodigious enterprise the people themselves are content to lead a quiet and peaceful life with just so much activity as is requisite to guide the plough or direct shuttle, without the risks of hazardous and unnecessary adventure."

The Indians did develop an amount of active trade with foreign countries. The influence of Buddhist architecture is visible in East Africa, testifying to the active character of Indian trade with it. Schöff has shown how "Indian ships from the Gulf of Cambay sailed to Capa Guardafui" and how "between India and Cape Guardafui they apparently enjoyed the bulk of the active trade shared to some extent by Arabian shipping." It may be noted that it was an Indian who piloted the ships of Vasco



de Gama across the Indian Ocean.

The Arabs were the most active traders in the Red Sea : they were active and Indians were not. But with the establishment of the Pax Romana, Indian trade became more active and Indian vessels as the *Periplus* writes, went regularly from Barugaza to Omana, and Indians made a settlement in Socotra, and the Indian ships visited Opone south of Cape Guardafui.

On the eastern side Indian trade was quite active and the establishment of colonies in Siam and Java and Sumatra was one of the most brilliant achievements of the naval and commercial genius of the Indian people. Shipbuilding was carried on a gigantic scale in India; and this testifies to the active character of a large part of their trade.

**6. Reaction of Political Situation on Trade.** Politics react upon economics; and there were fluctuations in the direction of commerce whenever there were big changes in the political world. There were interruptions indeed in the trade both on land and sea, but these did not permanently dislocate ancient commerce. There was a sort of elasticity in the trade machinery; and no sooner the storm passed the nations

would again resume wonted intercourse, although there may be shiftings here and there in the nature of agency and the sea-ports. In Asia particularly politics were always fleeting; and nothing was more common than a change of dynasty in various Asiatic countries. But "the victorious nation soon perceived the advantages to be derived from a continuance of the former state of things; the wants of the conquered soon became theirs also; the customs and presents extorted from the caravans which traversed their country enriched them or their chiefs, and it may be added that a sort of taste for commerce and trade prevails even among the ruder tribes of Asia." The real commercial crisis would result not from these wars of victorious nations and changes of dynasty, but from the anarchy into which despotic governments were apt to be dissolved. On such occasions the hordes of banditti would arise, destroying all internal security. The Ramayana eloquently testifies to this.

These political vicissitudes affected trade on sea as well as land. Migrations of nations, transfer of political power, rise and fall of large cities, the rise or decline of luxurious civilisa-

tions in far-off lands: all substantially affected the course and character of ancient sea-trade. The Phoenicians come first and become the carriers of trade in ancient times. The Arabs enter the field next and for a considerable period remain masters of western trade of India. The situation of Arabia was very favourable. Its long coasts, the proximity of its shores to Africa across the Red Sea, and to Persia across the Gulf of that name, its central situation with regard to trade between India and Egypt and the military character of the Arabs themselves led to Arabia being the chief staple place for Indian, Egyptian, Ethiopian, Arabian, and Phoenician trade. But during all the times the Arabs kept the monopoly of this trade, there were numerous tribal revolutions among the Arabs themselves, and these must have affected the course of the trade. The rise of Rome to the position of a world-power dealt an effective blow to Arab supremacy; and the Egyptian Greeks, Romans, and Indians, drive out the Arabs from the field to some extent. The discovery of trade-winds by Hippalus made an epoch in the ancient sea-borne trade of India the West. It made a direct trade with

India possible without the intermediate agency of the Arabs. The rise of Constantinople must have changed the lines of commerce. The centre of importance shifted from the Red Sea to the Persian gulf. The Turka began to share the gains of active commerce with the Arabs; and Constantinople became an important centre of distribution of the goods of the two continents. The rise of the Persian power in the mean time gave to Persia for the time being the mastery of both the old and the new road. The Arabs again came to the front, secured the more eastern route by the foundation of Basra and occupied the lands at the mouth of the Indus. The most revolutionary change however in the whole trade of India was ushered in by the discovery of the Cape of Good Hope; and the historic rivalries of the West European powers for the mastery of the Eastern seas began. Such is in brief the history of the vicissitudes of commerce in the East.

**7. Ancient Trade—Trade in Luxuries.** It must be remembered above all that ancient trade necessarily centred round the articles of luxury. Articles of great value in small bulk formed the cargo of the vessels in those days;

while the modern steamship has made possible the transportation at huge distances of articles of considerable bulk and small value. The East offered to the West specially ( 1 ) precious commodities including gold and silver and precious stones and pearls; ( 2 ) articles used in clothing, wool, cotton, silk, and furs; and ( 3 ) spices and aromatics. All these articles fetched fabulous prices in the European markets. The result must have been the drain of specie to the East. This drain of specie to the East as a natural consequence of the excess of exports over imports is one of the most remarkable characteristics of Indian trade. There was indeed an abundance of gold all over Asia. " It has been the constant taste of the Asiatics," remarks Herren, " to employ their gold not so much in coinage as in ornaments of every sort and embroidery. The thrones of their princes, the furniture of their palaces and especially what belongs to the service of the royal table, from the time of Solomon to the present day, have been of massive gold; their weapons have always been decorated and dresses or carpets, embroidered with gold, have been at all times the most valuable commodities of the East."

8. **Excess of Exports over Imports.** India produced in superabundance almost every possible article whether required for the necessities of life or the refinements of luxury. She could therefore export a good deal; but she imported very little in return. Its position in the ancient commercial world was unique: she was the main source of supply of the world's luxuries. The result was a very favourable balance of trade. The only way in which the West would discharge her commercial debt would be to send the precious metals to her in return for the Indian goods. India has been "for many centuries the final depository of a large portion of the metallic wealth of the world. Her supply of gold she obtained not as Europe did from America in the 16th century by conquest or rapine, but by the exchange of such of her productions as among the Indians were superfluities but were at the same time not only highly prized by the nations of Western Asia, Egypt, and Europe, but were obtainable from no other quarter except India, or from the farthest East by means of the Indian trade." This led to the complaint of Pliny who regretted that fully a hundred million sesterces (£ 70,000)

left the Roman Empire to purchase useless oriental luxuries.<sup>65</sup>

**9. Drain of Gold to the East.** This drain of gold or specie to the East has always struck as a peculiar phenomenon to the Western writers on economics. Thus Prof. Taussig writes: "In the trade between the West and the East and especially between Europe and India as far as back as we have any definite knowledge about it, the merchandise sent by the East has exceeded in money value that sent in return from the West. A balance has remained steadily due to Eastern countries, and has caused a steady flow of gold and silver... to go to them in payment of the balance... Hence specie flows steadily to the East." Now the real peculiarity of the situation of trade here is not the excess of exports over imports and the consequent flow of gold to India, but the disappearance of that gold or specie from the world-market. This is the meaning of the saying attributed to Pliny that India is a sink of precious metals. Prof. Taussig goes on to explain the position: "This specie is lost to the Western countries as if it had been absorbed once for all in the arts,-almost as if it had

been dropped into the sea. It disappears from the monetary and industrial supplies of Europe and America....India...has been aptly described as a sink, into which flow gold and silver, and especially silver, never to return. The explanation of this complete diversion and almost disappearance lies in the unusual industrial conditions of India...The region has long had an enormous population. This population is mainly agricultural; it is ignorant and stolid. It uses metallic money almost solely—very little paper money or other substitutes. The rapidity of the circulation of its money is low. Moreover the people are given to the use of both gold and silver for ornament and for hoarding. The bracelets, rings, and jewels serve both to gratify vanity in the present and to store purchasing power for possible use in the future. Hence great amounts of specie can find their way into India and flow into use, without much effect on general prices; indeed for long periods, without any measurable effect at all on prices.”<sup>66</sup> Elsewhere a large inflow will raise prices; this will tempt imports and check exports; then the flow of specie in payment for exports will cease. But in India the response of prices to



specie is slow indeed.

10. **Monopoly.** Early trade could not be carried on under conditions of free competition. The risks of trade were so great that only monopolistic profit would induce the merchants to launch their ventures. An "open door" policy was as yet not possible. The Arabs had a virtual monopoly of the Indian trade. Schoff has given the following curious example of a monopoly based on inter-racial understandings. "So strong was the age-long understanding between Arabs and Hindus, that, cinnamon, which had made the fortunes of traders to Egypt in earlier times, was still found by Romans only at Guardafui, and was scrupulously kept from their knowledge in the markets of India, where it was gathered and distributed, while the leaf of the same tree producing that specious bark was freely offered to the Roman merchants throughout the Malabar Coast."

11. **State Regulation.** In many ways the State in those days tried to regulate commercial life of the people. The theory of *Laissez faire* had no advocates in those days. Nor was ancient traffic conducted under the influence of

mercantilistic notions. There was a general encouragement of trade—both export and import. Thus Narada asks Yudhisthira : “ Do the officers of the Government, O king, that are paid from the taxes levied on the community, take only their just dues from the merchants that come to thy territories from distant lands, impelled by the desire of gain ? Are the merchants, O king, treated with consideration in thy capital and kingdom, capable of bringing their goods thither without being deceived by the false pretexts of both ( the buyers and the officers of government ) ? ” Kautilya writes : “ The superintendents shall show favours to those who import foreign merchandise; mariners and merchants who import foreign merchandise shall be favoured with the remission of the taxes, so that they may derive some profit. Foreigners importing merchandise shall be exempted from being sued for debts. Unless they are ( local ) associations and partners.”<sup>63</sup> It was also a part of the business of governments to create all sorts of facilities for peaceful interchange of wares, by building roads, establishing the reign of law, by

as profits in the ultimate interest of the consuming public. The superintendent of commerce was authorised to fix a profit of five per cent over and above the fixed price of local commodities and ten per cent of foreign produce. "The superintendent shall on consideration of the outlay, the quantity manufactured, the amount of tool, the interest on outlay, hire and other kinds of accessory expenses, fixed the price of such merchandise with due regard to its having been manufactured long ago or imported from a distant country." <sup>70</sup> Especially all attempts to artificially raise prices were sternly put down. "Those who conspired to lower the quality of the works of artisans, to hinder their income or to obstruct their sale or purchase shall be fined thousand panas. Merchants who conspired to prevent the sale of merchandise or to sell or purchase commodities at higher prices shall be fined one thousand panas." <sup>71</sup> In certain cases the government even kept monopoly of production or sale in their own hands. Whenever there was an excessive supply of merchandise the superintendent was authorised to centralise its sale and prohibit the sale of similar merchandise elsewhere before the centralised supply was disposed of. This type

of glut used to take place often, owing to the small size of ancient markets. Prices used to fall considerably whenever any advent of ship was announced; hence there was special need of regulation to bring about an even distribution of goods without violent fluctuations in prices. Certain articles seemed to be a special monopoly of the State; and the State used to derive profits from its trade. The king's merchandise was sold both at home and abroad. The imported articles were distributed in several markets for sale. The merchandise of local manufacture was centralised. In either case the State was "to avoid such large profits as would harm the people."<sup>72</sup>

**12. Favourable factors.** Here ends the story of India's trade. India indeed occupied and long maintained the glorious position of the Queen of the Eastern Seas. The richness and diversity of her production, her geographical position in the centre of the ancient commercial world, her extensive coast-lines, her magnificent harbours, all combined to give a unique position to India in the ancient world.

which all histories of world culture will do well to take note, viz. the central position of India in the Oriental world for well nigh two thousand years, not merely in a social, a moral, a spiritual, or an artistic reference, but also equally in respect of colonizing and maritime activity, and of commercial and manufacturing interests. '73 The geography of India points to her natural isolation, says Dr. Mookerji, but history of India reveals other facts. The very mountain and sea barriers which nature has placed between her and the outside world are converted by her own native energy and abounding life, into the pathway of commerce with the external world; and how? " The early growth of her shipping and ship-building, coupled with the genius and energy of her merchants, the skill and daring of her sea-men, the enterprise of her colonists, and the zeal of her missionaries secured to India the command of the sea for ages, and helped her to attain and long maintain her proud position as the mistress of the Eastern seas. There was no lack of energy on the part of Indians of old in utilising to the full the opportunities presented by nature for the development of Indian mari-

time activity-the fine geographical position of India in the heart of the Orient, with Africa on the West, and the Eastern archipelago and Australia on the East, her connection with the vast mainland of Asia on the North, her position of a sea-board that extends over more than 4000 miles, and finally the net-work of rivers which opens up in the interior. In fact, in India there is to be found the conjunction or assemblage of most of those specific geographic conditions on which depends the commercial development of a country." 74

13.-**Conclusion.** Indian overland and overseas commerce in old days must have been a very powerful factor in linking up race to race, nation to nation, country to country, culture to culture. It is impossible to overestimate the vast significance of this. Isolation for individuals as well as nations means first stagnation and then death. If this isolation was overcome successfully in those days and very distant civilisations came in fruitful contact with each other, this was above all due to the development of primarily commercial and secondarily cultural relations between India and the outside world.

## XII. Public Finance.

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### I

1. Finance in the Vedic Literature. The beginnings of Public Finance may be seen as early as the period of the Rigveda. The people then were not nomadic tribes wandering from place to place, but had attained a high level of organization. Monarchy was a normal form of government in those days. "War begets the king": and in India also military necessities forced upon the Aryans the institution of kingship. War was the breath of nostrils to the early Aryans: wars defensive and aggressive were a constant feature of the early Aryan life. Various grades of kings are referred to: the Rajaka was inferior to a Raja<sup>1</sup>: Svarat was an independent king;<sup>2</sup> Samrat was a paramount king.<sup>3</sup> There was also a pur-pati<sup>4</sup> or the town-king, below the Rajaka or petty prince. Now the king was above all the leader of the people in times of war and peace. He was essentially the protector of the people. ( गोपा जनस्य ).

Now it is reasonable to conjecture that the early evolution of Government among the Vedic Aryans and its vigorous functioning in times of war as well as peace necessarily presuppose the existence of some form of Finance among them. The Government, we are told, used to command the obedience of the people. "Victorious in the wood, friend among men ever he (Agni) claims obedience as a king." "In his own house he dwells in peace and comfort; to him for ever holy food flows richly. To him the people with free will pay homage; the king with whom the Brahman hath precedence. He, unopposed, is master of the riches of his own subjects and of hostile people" Here it is very clearly pointed out how in the last resort the State has an unlimited power over the wealth of its subjects as well of the enemies whom it happens to conquer. "As on the approach of the king, men of violent deeds (or people of a particular tribe-Ugra) (and) such as are addicted to every crime, charioteers, and governors of villages stand prepared with food and drink and palaces, (saying), he comes, he approaches, so on (the approach of) the conscious one, all beings stand prepared, (saying) this Brahma comes. this



Brahma approaches.'<sup>7</sup> "A great king, assembling his followers, sends them about in his kingdom according to his pleasure."<sup>8</sup>

Such settled relations as obtained between the people and the king lead us to infer the presence of some system of taxation, some form of payment on the part of the people, voluntary or involuntary. The word *Bali* is frequently used now in the sense of "offering to a god" and now in the sense of "tribute to a king."<sup>9</sup> It is a conjecture of Zimmer that the offerings in both cases were voluntary. No doubt in the evolution of finance, voluntary contributions must have preceded the compulsory payment of taxes. It was so among the Germans, as reported by Tacitus. Benevolences ( *pranaya-kriya* ) were known very early and these were in origin due to the voluntary action on the part of the tribesmen. But there is ample evidence to show that the Vedic Indians had already emerged out of this stage. Many times, the king found himself lord and master of the hostile tribes; here in the beginning the obedience as well as the payment must have been compulsory. "When as purified he sits as king above the hosts, among

his folk. " <sup>10</sup> Prof. Ludwig means by the hosts here, the contending tribes or people. But another passage is more unambiguous. " Young Agni, who with conquering strength subduing the tribes of Nahus made them bring their tribute. " <sup>11</sup> It is also stated in one passage how Indra deprived Bheda of all his treasures: and as a consequence of it, the dwellers of the Yamuna and the Tritsus got tribute or the heads of the horses from the Ajas, the Sighrus and the Yakshas who had been subject to Bheda. <sup>12</sup>

Thus the revenue of the king in the early Vedic period consisted mainly of the voluntary contributions of the rich: " he who bears gifts unto the kings, the true Leaders.....moves with his chariot first in rank and wealthy, munificent and lauded in assemblies; " <sup>13</sup> the compulsory tributes levied from the conquered tribes; the tribute which the weak kings used to pay to the strong kings for protection or non-molestation; " a kind of tax ( kara ) that must be given to a king of superior power by another king of deficient power situated on his frontier; " <sup>14</sup> and the payments in times of peace from one's own subjects; " and then may Indra make the clans bring tribute unto thee alone. " <sup>15</sup>

It is true that these tributes may have been occasionally heavy: the heavenly world is described as a place where no tribute is paid by the weak to the mighty.<sup>16</sup> But the burden mainly fell upon the rich classes; who were made to give "abundant tribute" to the kings.<sup>17</sup> Agni eats the woods "as the king devours the rich."<sup>18</sup> But this phrase "devouring the people,"<sup>19</sup> so often applied to the king, is apt to be misleading. It does not mean the existence of habitual oppression on the part of the king. "It obviously had its origin in a custom by which the king and his retinue were fed by the people's contributions; a plan with many parallels."<sup>20</sup>

It is very probable that the exceptional position of the king as the receiver of tribute was to some extent shared by the body of men who were his comrades in war, known as the Kshatriyas. In one passage the plants or herbs are said to congregate as the princes of the ruling house in a field of battle.<sup>21</sup> From this it appears probable that other members of the ruling family often shared the royal privileges and responsibilities. The Brahmins were also exempted from taxation in the Vedic times.<sup>22</sup>

In one passage it is said that the Brahmins serve only king Soma, not the temporal king.<sup>23</sup> Necessarily then the whole weight of taxation fell upon the Vaishyas, who formed the richest class in the community. In fact, the Aitareya Brahmana thus sums up the characteristics of a Vaishya in the following adjectives:

Anyasya bali krit "Tributary of another":

Anyasyadya "To be lived upon by another."

Yathakamajyayab "To be oppressed at will".<sup>24</sup> Therefore it is abundantly recognised that the Vish forms the basis of the State on which Brahma and Kshatra rest.<sup>25</sup>

The main sources of our information regarding the post-Vedic financial organization of ancient India are: The Mahabharata, the Dharmasutras and Dharmashastras, the Jatakas and Buddhist sacred books, Shukra-Niti, and Kantilya's Artha Shastra. There are many more minor sources: but these bring out the salient features of Ancient Indian Finance well, and hence are quite sufficient for our purpose.

## II.

1. Revenue Organization in the Bharata. We do not hear of big

sub-divisions of a kingdom like the modern Presidency or a Suba. It is likely that the majority of the States in the Epic India were comparatively small : and very rarely one of these small States used to attain the status of a big kingdom or an Empire. The unit of administration is the village. Every village is placed under the charge of a headman or gramadhipati. A superintendent was placed in charge of ten such villages. Similarly, there were officers over 20, 100, and 1000 villages respectively.

It was the duty of the headman to report to his superior officer the general state of his village, noting carefully the characteristic of each person in the village and all the faults that needed correction. In the same way each subordinate officer had to submit a general report to his next superior officer. The village headman had control over all the produce and provisions of the village; and he has to contribute his share for maintaining the lord of the ten villages, and the latter had to do the same towards his superior. The head of hundred villages got the revenue of a whole village, and the head of one thousand villages

received the revenue of a small town.<sup>26</sup> Over cities there must have been separate superintending Revenue Officers. The revenue administration of the whole kingdom was under the care of specially appointed ministers. It was the duty of the king to protect the people from the harsh and unjust administration of these officers who often terrorised over the helpless people, as the Mahabharata says, like the evil planets over the Nakshatra.

2. The Sources of Revenue. Land was a main source of revenue to the State. The tax here varied from one-tenth of the produce of land to one-sixth of the produce in normal times.<sup>27</sup> Another source was commerce. "Taking notes of the sales and purchases, the state of the roads, the food and dress, and the stocks and profits of those that are engaged in trade, the king should levy taxes on them."<sup>28</sup> Usually the king's share was fixed at one-fiftieth or more of the sale price, after the above factors are duly noted.

Another item of revenue was the tax on artisans. "Ascertaining on all occasions, extent of the manufacture, the receipts and expenses of those that are engaged in them, and the state

of the arts, the king should levy taxes upon the artisans in respect of the arts they follow.<sup>29</sup>

Taxes on transport formed an interesting source of revenue. The Gomis or Banjaras used to be the main carriers of goods from place to place, with the help of animals. But these were to be lightly taxed, as their importance to the agricultural and commercial system of the time was recognised to be great.<sup>30</sup>

Among the other sources were mines, salt, shulka, river-crossings, and elephants. "A king should appoint ministers for mines, salt, shulka, river-crossings and elephant forces, ministers who are his own relatives, or men particularly trustworthy."<sup>31</sup> The Government owned mines itself and used them. The same seems to be the case with the production of salt. The Shulka is taken by the commentators as the place where corn was sold. Tolls at the river-crossings belonged to the king. The catching of elephants was also a government monopoly.

The institution of compulsory labour (बिबि now बेट) is a very old institution in India. The artisans and labourers were made to work free once a fortnight for the king. It was found difficult to meet the demands of the army and

palace in any other way. Even the Brahmins came in for their share of forced work. " All Brahmins who have not learnt the Vedas and kept the sacrificial fire should be made to pay taxes and to do forced labour, by a king who is religious."<sup>32</sup>

It is interesting to note that no Abkari or excise revenue is mentioned. "Drinking-shops, public women, shows, actors, gamblers, and keepers of gaming houses and other poisons of the kind, which are sources of disorder to the State, should be checked."<sup>33</sup> There was also no forest revenue, because the forests, mountains, rivers, and places of pilgrimage are emphatically declared "ownerless" ( अस्वामिक ),<sup>34</sup> and as such public property, open to all for free use.

The gains of conquest may be said to be an occasional source of revenue. The following passage throws some light on the state of opinion on the question. ' King Pratardan subjugating his foes in a great battle, took all their wealth, including their very grain and medicinal herbs, but left their land untouched. King Divodasa after subjugating his foes, brought away the very remnants of their sacrificial fires, their clarified butter and their food. For this



reason, he was deprived of the merit of his conquests. King Nabhaga gave away whole kingdoms with their rulers as sacrificial presents to the Brahmins, excepting the wealth of learned Brahmins and ascetics. "35.

**3. Items of Expenditure.** The responsibilities of the Government were manifold. The cost of the army was the heaviest item of expenditure. The salaries of officers was another important item. The protection of the learned Brahmins, the weak, the distressed, the famine-stricken, the bereaved, the recluses, was always the concern of the State. The maintenance of public works—specially irrigation works and roads was a substantial charge upon the resources of the State. The following quotation gives us some idea of the scope of governmental activity in those days, and the consequent demands on the public purse. "Is the State not oppressed by you or your princes, or by thieves or by avaricious people? Are these tanks large and full located in suitable places in your kingdom, so that agriculture may not depend solely on rain from the heavens? Does not the seed and the maintenance of the men who till, go unrealised? Do you award money lent with

interest at one per cent? Is your Vartta or department of livelihood looked to by efficient men? For in Vartta lies the happiness of the people. Do your five officers of the village, brave, well-versed, and of good behaviour, achieve the good of the country by their united efforts? For the protection of your cities have you made your villages as strong as your towns, and the border land as strong as your villages? Do dacoits roam in your country, harassing the towns and are they not pursued by your forces in even and uneven places?"<sup>36</sup>

4. **Right to Tax.** The right of taxation is inherent in Government. But it is not an unconditional right. If the kings have a right to tax the people, the people have a right on their part to protection. The Western theory is-no representation, no taxation. The Eastern theory is-no protection, no taxation. These two must go hand in hand. It is a regular compact between the king and the people. Men were originally at war with one another. They soon became disgusted with this life in the state of

another, like stronger fish devouring the weaker ones in water. It hath been heard by us that a few amongst them then assembling together made certain compacts, saying—He who becomes harsh in speech or violent in temper, he who seduces or abducts other people's wives or robs the wealth that belongs to others, should be cast off by us. Assembling after some time, they protested in affliction to the grandsire, saying,—Without a king, O Divine Lord, we are going to destruction. Appoint some one as our king : All of us shall worship him and he shall protect us. " The terms of the contract were also not vague and indefinite, but clear. Provision was made there and then for the maintenance of the royalty, The inhabitants of the earth said to Manu.

" For the increase of thy treasury, we will give thee a fiftieth part of our animals and precious metals, and a tenth part of our grain."<sup>31</sup>

But the point of importance is that it was a contract; give us so much protection and we give you so much taxation. This duty of protection was emphasised in a number of passages.

" Protection of the subject, Yudhishtira, is *very* *cheese* of kingly duties. "<sup>32</sup> " The

king should always bear himself towards his subjects as a mother towards the child of her womb.....As the mother, disregarding those objects that are most cherished by her, seeks the good of her child alone, even so, without doubt, should kings conduct themselves ( towards their subjects ).”<sup>33</sup> And if this guarantee of protection were withdrawn, the people were free to depose the king and appoint another in his place. “ A king who is unable to protect is useless. If the king fails in his duties, any person, no matter to what caste he belongs, may wield the sceptre of Government.”<sup>34</sup>

5. **Limits of Expenditure.** The golden rule of finance was to keep up the equilibrium between the credit and debit sides of the State accounts. Care must therefore be taken to keep expenses within the bounds of income in normal times. It was clearly understood that the monarch was the representative of the people; his office was a public trust sacredly held on behalf of his subjects. His kingdom was not a private estate for personal loot or exploitation; he was accountable to his masters for every pie he took from them. It was repeatedly emphasised therefore that the king should keep a serious

check over his personal expenditure. " Do thy servants, king, ever speak to thee in the forenoon regarding thy extravagance of expenditure, in respect of thy drinking, sports, and women ?... Do accountants and clerks employed by thee in looking after thy income and expenditure, always apprise thee every day in the forenoon, of thy income and expenditure ? " <sup>41</sup> A king is a thief or robber who wastes public treasure on private pleasures. " My wealth exists for only my subjects in the city and the country, and not for my own comforts and enjoyments. That king, O virtuous one, who giveth away for his own pleasure the wealth that belongeth to others, can never earn virtue or fame. ' <sup>42</sup> It was not enough that the king was temperate in his private pleasures; he was to be equally temperate in his personal charities. " And Agastya answered, O lord of earth, know that I have come to thee, desirous of wealth. Give me a portion according to thy ability and without doing injury to others. The king, then, representing unto the Rishi the equality of his expenditure and income, said-O learned one, take thou from my possessions the wealth thou pleasest ?-Beholding, however, the

equality of that monarch's income with expenditure, the Rishi who always looked at both sides with equal eyes thought that if he took anything under the circumstances, his act would result in injury to the creatures."<sup>43</sup> This rule of keeping expense within the bounds of income was the extreme limit, beyond which there was bankruptcy and red ruin. The necessity of a large reserve was duly insisted on; for a plentiful treasury would mean prosperity as well as capacity for defence. Narada says: "Is thy expenditure always covered by a fourth, a third, or half of thy income?"<sup>44</sup> A king, it is stated, should not neglect an item of income however insignificant, for even small items go to fill the treasury in course of time.

**6. Principles of Taxation.** It was of fundamental importance for a Government to realise that the system of taxation should be so devised as to appear light and unoppressive to people; for the people, if driven to desperation rise up in revolt and pull the Government to pieces; "That crooked and covetous king who suspects everybody and who taxes his subjects heavily is soon deprived of his life by his servants and relatives."<sup>45</sup> "The subjects hate that king who

earns a notoriety for voraciousness of appetite ( in the matter of taxes and imposts ). Whence can a king who becomes an object of hatred have prosperity ? " 46 Various tricks are to be employed to render the system of taxation acceptable to the people. There is the great fact of inertia, which may be utilised. If the growth of taxation comes slowly and by dribblets, people do not feel it. If people are called upon to pay more at a time of rich harvests or heavy profits, then they can not grumble. And care should be taken to placate the leaders of the people and to divide them if necessary. Taxation therefore must be properly graduated according to the capacity of the tax-payers. It must be increased or reduced according as the times are favourable or otherwise; it must be increased slowly and imperceptibly; and leaders may be conciliated and people may be divided in order that opposition may not be organised. " A king should milk his kingdom like a bee gathering honey from plants. He should act like the keeper of a cow who draws milk from her without boring her udders and without starving the calf. The king should act like the leech, drawing blood mildly. He should conduct him-

self towards his subjects like a tigress in the matter of carrying her cubs, touching them with her teeth, but never piercing therewith. He should behave like a mouse, which though possessed of sharp and pointed teeth still cuts the feet of sleeping animals in such a manner that they do not at all become conscious of it. The demand should then be increased gradually till what is taken assumes a fair proportion. The king should enhance the burthens of his subjects gradually like a person gradually increasing the burthens of young bullock. Acting with care and mildness, he should at last put the reins on them. If the reins are then put, they would not become intractable. Indeed, adequate measures should be employed for making them obedient. Mere entreaties to reduce them to subjection would not do. It is impossible to behave equally towards all men. Conciliating those that are foremost, the common people should be reduced to obedience. Producing disunion among the common people ( through the agency of other leaders ) who are to bear the burthens the king should himself come forward to conciliate them, and then enjoy in happiness what he will succeed in drawing from



them. The king should never impose taxes unreasonably and on persons unable to bear them. He should impose them gradually and with conciliation, in proper season, and according to due forms. These contrivances that I declare unto thee are legitimate means of kingcraft. They are not reckoned as methods fraught with deceit."<sup>47</sup>

The sense of security was well recognised as fundamental to the growth of capital and consequent economic prosperity of kingdom. A well-devised system of finance would carefully lop off the excrescences of the wealth of the people, without encroaching upon its roots. The springs of productive energy must remain in full vigour; for upon their vigorous functioning depends the prosperity and strength of the people. In fact, taxation should never defeat its own end. If it takes the form of indiscriminate and wholesale plunder, a terrible sense of insecurity seizes the wealthy classes, and the result is that wealth begins to be hoarded or drained off into unproductive channels, or it begins to migrate to other kingdoms. "The king O, Yudhishthira, may take high taxes, but he should never levy such taxes as would emasculate his people. No

tax should be levied without ascertaining the outturn and the amount of labour that has been necessary to produce it. Nobody would work or seek for outturns without sufficient cause. The king should after reflection, levy taxes in such a way that he and the person who labours to produce the article taxed may both share the value. The king should not by his thirst, destroy his own foundations as also those of others. A king who is possessed of sound intelligence should milk his kingdom, after the analogy of (men acting in the matter of) calves. If the calf be permitted to suck, it grows strong, O Bharata, and bears heavy burthens. If on the other hand, O Yudhisthira, the cow be milked too much, the calf becomes lean, and fails to do much service to the owner. Similarly, if the kingdom be drained much, the subjects fail to achieve any act that is great."<sup>43</sup> The Vaishyas are the chief tax-paying class and therefore their security is the main aim of every sound system of finance. If a person engaged in agriculture, cattle-rearing, or trade, becomes inspired with a sense of insecurity the king, as a consequence incurs infamy. The king should always honour those subjects of his that are rich

and should say unto them,—Do ye, with me, advance the interests of the people. In every kingdom they that are wealthy constitute an estate in realm.”<sup>49</sup> “If the king disregards the Vaishyas, they become lost to him, and abandoning his dominions remove themselves to the woods. The king should, therefore, behave with leniency towards them. The king, O son of Pritha, should always conciliate and protect the Vaishyas, adopt measures for inspiring them and for ensuring them in the enjoyment of what they possess and always do what is agreeable to them. The king, O Bharata, should always act in such a way towards the Vaishyas that their productive powers may be enhanced. The Vaishyas increase the strength of a kingdom, improve its agriculture, and develop its trade. A wise king, therefore, should always gratify them. Acting with heedfulness and leniency, he should levy mild imposts on them. It is always easy to behave with goodness towards the Vaishyas. There is nothing productive of greater good to a kingdom, O Yudhisthira, than the adoption of such behaviour towards the Vaishyas of the realm.”<sup>50</sup> The prosperity of the wealthy classes is clearly seen to be the source

of the prosperity of the kingdom, and hence of the Government. Whatever affects the former affects the latter in the same way. Narada asks these important questions to king Yudhisthira " Do the officers of the Government, O king, that are paid from the taxes that are levied on the community, take only their just dues from the merchants that come to thy territories from distant lands, impelled by the desire of gain ? Are the merchants, O king, treated with consideration in thy capital and kingdom, capable of bringing their goods thither without deceived by the false pretext of ( both the buyers and officers of Government. ) ? " <sup>51</sup> The sense of security which a Government inspired in its propertied classes was, therefore, one of the main criteria of its efficiency, prosperity, and strength. " He is the best of kings in whose dominions men live fearlessly like sons in the house of their sire. He is the best of kings whose subjects have not to hide their wealth. " <sup>52</sup>

One more passage may be noted. Here also the same idea is reiterated. Scriptural sanction also is here emphasised. " With a sixth part upon fair calculation of the yield of the soil, as his tribute, with fines and forfeitures levied upon

offenders, with the imposts according to the scriptures, upon merchants and traders in return for the protection granted to them, a king should fill his treasury. Never desire to fill thy treasury by acting unrighteously or from covetousness. That king who is mindful only of the means of acquiring wealth, never succeeds in acquiring both religious merit and wealth. That avaricious king who through folly oppresses his subjects by levying taxes not sanctioned by the scriptures, is said to wrong his own self. As a person desirous of milk never obtains any by cutting off the udders of a cow, similarly a kingdom afflicted by improper means, never yields any profit to the king. He who treats a milk cow with tenderness always obtains milk from it; similarly, the king who rules his kingdom by the aid of proper means reaps much fruit from it...The Earth well protected by the king, yields crops and gold even like a gratified mother, yielding milk to her child. Imitate the example, O king, of the flowerman, and not of the charcoal-maker." 53

7. Importance of finance and emergency measures. It was impossible to ignore the importance of finance in State construction. In times of peace, all religious and humanitarian

acts depend upon money; in time of war, the longest purse generally wins. A well-filled treasury is therefore the fundamental condition of the existence as well as the strength of Government. "The king's roots are his treasury and his army. His army again, has its roots in his treasury. His army is the root of all his religious merits. His religious merits again are at the root of his subjects. The treasury can never be filled without oppressing others. How then can the army be kept without oppression? The king, therefore, in season of distress, incurs no fault by oppressing his subjects for filling the treasury. For performing sacrifices, many improper acts are done. For this reason a king incurs no fault by doing improper acts. For the sake of wealth, practices other than those that are proper are followed. If such improper practices be not adopted, evil is certain to result. All those institutions that are kept up for working destruction and misery exist for the sake of collecting wealth. As animals and other things are necessary for sacrifices, as sacrifices are for purifying the heart, and as animals, sacrifices, and purity of the heart are for final emancipation, even so policy and chastisement exist for

the treasury, the treasury exists for the army, and policy, treasury and army all the three exist for vanquishing the foes, and protecting or enlarging the kingdom. ... I shall here cite an example illustrating the true ways of morality. A large tree is cut down for making of it a sacrificial stake. In cutting it, other trees that stand in its way have also to be cut down. These also in falling down kill others standing on the spot. Even so they that stand in the way of making a well-filled treasure must be slain. I do not see how else success can be had. By wealth, both the worlds, viz this and the other, can be had, as also truth and religious merit.....A king that has a well-filled treasury succeeds in accomplishing everything. By his treasury a king may earn religious merit, gratify his desire for pleasure, obtain the next world and this also. The treasury, however, should be filled by the aid of righteousness, and never by unrighteous practices, such that pass for righteousness in times of distress. "54

Here is another instance of what we may call the ethics of exceptional situations. "Then king should repair to the chief centres of

his kingdom one after another, and endeavour to inspire the people with fright. He should say unto them,—Here calamity threatens us. A great danger has arisen in consequence of the acts of the foe. There is every reason however to hope that the danger will pass away for the enemy like a bamboo that has flowered, will very soon meet with destruction. In view of this great calamity fraught with dreadful danger, I solicit your wealth for devising the means of your protection. When the danger has passed away I will give you what I now take. Our foes, however, will not give back what they will take from you by force. I shall take from you what it may be within your power to give me. I do not wish to give pain to anyone. In seasons of calamity, you should like strong bulls, bear such burthens. In seasons of distress, wealth should not be so dear to you. A king conversant with the considerations of time should with such sweet, agreeable, and complimentary words, send his agents, and collect his imposts from his people. Pointing out to them the necessity of repairing his fortifications and of defraying



and impressing them with the necessity that exists for protecting them and enabling them to ensure the means of living in peace, the king should levy imposts upon the Vaishyas of his realm."<sup>55</sup>

### III

1. Revenue Organization in the time of Manu. Substantially the same system of finance is revealed to us in the code of Manu and other earlier law-books. The kingdom was divided into various circles ( *gulma* ) containing one hundred, two hundred, three hundred, or five hundred villages. Over each village was placed a headman; over ten, twenty, hundred, and thousand villages were higher superintending officers. The work of these officers was supervised by city officers: and the whole department was placed under able and experienced ministers. The king was the active superintendent of the whole work and keep an eye over the work of subordinate officials. <sup>56</sup>

#### 2. Sources of Revenue.

- (1) A sixth, an eighth, or a twelfth part of the food grains, according to circumstances should be collected each year by

the king, from his subjects; Kulluka adds "to be determined by the difference of the soil, and labour necessary to cultivate it."<sup>57</sup>

- (2) He shall take a sixth part of profits derived from trees, honey, clarified butter, scents, cereals, saps, flowers, roots, and fruits; as well as of that derived from leaves, shakas, weeds, leather, bamboo-made articles, earthen vessels, and all kinds of stoneware.<sup>58</sup>
- (3) Fiftieth part of its value should be the tax on gold or animal.<sup>59</sup>
- (4) Taking into consideration the cost-price as well as the selling price of his goods, the cost of conveyance, the cost of his daily living, as the cost of ensuring safety to his goods (Yogakshema), the cost of policing, (the forests &c.), he shall levy taxes on the merchant. The king after due deliberation, shall always impose taxes on profits of traders and cultivators.<sup>60</sup>
- (5) The king shall levy a nominal tax on poor men, living by plying small trades

- (6) The king shall cause each artisan, manufacturer, Shudra, and labourer to work for him for a day, each month. <sup>62</sup>
- (7) In times of emergency, a king fully protecting his subjects by his mighty powers, shall not be guilty of the sin ( of exacting rack-rents ) if he takes a quarter part of the agricultural produce from each of them. In times of emergency, let the king receive an eighth part of the ( stored up food ) grains and a twentieth part of each Karshāpanam ( of collected money ) from the Vaishyas. Shudras, artisans, and confectioners etc. should be made to work in lieu of revenue. <sup>63</sup>
- (8) The king shall receive from the owner of a lost article in case of its recovery, a sixteenth or twelfth part of its value, according to the superior, middling, or inferior status of its owner. The king having found an old treasure, buried underneath the ground shall give a half thereof to Brahmins, and half he shall deposit in his treasury. Of old treasures and metals found underneath the soil,

the king shall retain a moiety thereof inasmuch as he is the owner and protector ( of mines ).<sup>64</sup>

(9) A car, a horse, or an elephant, as well paddy, wealth, women, and all other articles or any metal other than gold or silver; whatever one might have conquered (captured in war) would be his own. "The residue shall go to the king," is the dictum of the Vedic law on the subject; a thing which has not been captured by any particular men shall be divided among all the soldiers.<sup>65</sup>

(10) Fines levied on offenders always form a considerable source of revenue.

(11) At toll stations or customs houses, the king shall receive a twentieth part of the profit on the price of an article, determined by men, expert in fixing the prices of commodities. For having avoided the public highway or sold his goods in the night, or given out at a lesser number ( i. e. a false manifest of ) his

3. Mill's criticism. Here is a very complete and comprehensive system of taxation, embracing such different items as a tax on the produce of land, and on the produce of liquor, on wealth in gold and cattle, on purchases and sales, on individuals ( a Poll tax ) and on offenders. Such a system must fill a modern inquirer with feelings of wonder and astonishment at the complicated and elaborate structure of society which it implies. It must have been evolved under the pressure of necessities at that time and can only be judged from the standpoint of the state of society in ancient India. Yet Mill has chosen to subject it to drastic criticism from the standpoint of modern finance. It is amusing and instructive however to go through his remarks, although it is impossible to agree with him on most of these points.

- (1) Mill says that the first of these rules offends against the canon of *certainly* to a high degree. The amount varies as one to one-half: and variation is made to depend upon circumstances the uncertainty of which opens boundless field to all the wretched arts of chicanery and fraud on the part of the people,

and all the evils of oppression on the part of the collectors. As the determination of the circumstances on which the amount of the assessment depends, belongs of course, in such a state of society as that of the Hindus, to the agents of the Government, a free career is afforded to all the baneful operations of favour and disfavour; of bribery and corruption. The source of variation and uncertainty from these causes was prodigiously enlarged by the power reserved to the king, of taking even a fourth of the crops in times of distress.

To us it seems clear that what Mill thinks to be a defect of the system was in fact its great recommendation. In an industry like agriculture in which there is so much uncertainty as regards the outturn owing to difference of soils, difference in methods of cultivation, and above all to the precarious character of the monsoons, it was clearly absurd to apply one law and one standard to all cases without discrimination. Elasticity in fact is one of the strongest points of

ancient finance. The demands of the Government must be different in different times and in different circumstances. It was only in case of an invasion or war that the Government was permitted to rise to the maximum of taxation, viz. one fourth of the return of the soil. Such an eventuality cannot be improvised by a harsh or tyrannical king.

- (2) In the second of these fiscal ordinances, says Mill, a variety of products are enumerated which in a rude age are either the spontaneous produce of the soil, or obtained from the spontaneous produce by a very simple process : and these as costing little in point of labour, are all taxed at the highest rate imposed upon grain. By one of those capricious arrangements which abound in the institutions of a rude people, utensils made of leather, cane, earth and stone, in the production of which labour is the principal agent, are placed under the same exaction as the spontaneous productions of the soil. The consequ-

ence must have been to render these commodities proportionately dear.

To this Wilson well replies that when taxes were paid in kind, some fixed proportion of the articles of daily consumption, was necessarily specified; it is clearly impossible that the rate should have been very rigorously levied, and all that is intended is to limit the demands of the purveyors.

- (3) In a society full of knowledge and industry, this would have been a tax on capital and therefore mischievous; in Hindustan where gold, silver, and gems were most commonly hoarded it would not have been easy to find a less objectionable tax.
- (4) Here is a tax on purchases and sales. The circumstances on which the amount is made to depend are so uncertain as to constitute a great seminary of fraud on the one hand, and a great office of oppression on the other. The tax is also hurtful to production by impeding circulation, that is, the passage of property from a situation in which it



is less, to one in which it is more useful.

Mill's remarks are here also hypercritical. Wilon's remarks are pertinent and just; The main object of the fourth law is nothing more than to establish a duty or charge of customs, and is no more objectionable than similar imposts in other countries. A further object is to enjoin due consideration of charges and expenses, and to make the customs as light as is consistent with the fair claim of the Government. Nothing is said of transit duties, and the fair inference from the expression ascertaining ' The length of the way ' is, that there were no transit charges, the customs being levied only at the end of the journey.

(5) (6) Mill concludes his section by a few remarks on the poll tax in India. A poll tax, when paid in money, or any other common measure of value, is chiefly objectionable on account of its inequality, as the same sum is a very different burden to different persons. A poll tax paid in labour is somewhat less objectionable in point of equality, though the same portion of his time

may be a much greater burden upon one man than it is upon another. It is chiefly objectionable on account of the loss of time, and of property which it occasions to those who have to pay it. In a well-ordered society, accordingly where every man's time and labour are disposed of to the best advantage, it has no place.<sup>67</sup>

**10. Immunity.** Certain classes of society were considered exempt from the normal liabilities to the State. "A learned Brahmin is free from taxes and the women of all castes, and male children before the marks (of puberty appear), and those who live (with a teacher in order to study), and ascetics who are intent on fulfilling the sacred law, and a Shudra who lives by washing the feet; also blind, dumb, deaf, and diseased persons : and those to whom the acquisition of property is forbidden (as Sannyasins)."<sup>68</sup> The learned Brahmins are exempted from payment on the ground that they contribute the sixth part of the merit which they gain by sacrifices and charitable works.<sup>69</sup> Varisitha has a long list of privileged persons and places immune from taxation : Shrotriyas,

servants of the king, orphans, Sannyasins, infants, aged persons, students, Pradata ( very liberal men ) : widows who return to the former family, unmarried maidens, wives of servants. No taxes are to be paid on the usufruct of rivers, dry grass, forests, ( places of ) combustion, and mountains.<sup>70</sup> Vasishtha also quotes a verse from Manu. " No duty ( is paid ) on a sum less than a karshapana, there is no tax on a livelihood gained by art, nor on an infant, nor on a messenger, nor on what has been received as alms, nor on the remnants of property left after a robbery, nor on a Shrotriya, nor on an ascetic, nor on a sacrifice. "<sup>71</sup> Manu's injunctions are similar. " A king even at the point of death must not receive any revenue from a Shrotriya Brahmin. " <sup>72</sup>

11. Taxation no tyranny. " As leeches, calves and bees little by little, draw their respective substance, so the king shall draw his revenue from his realm, little by little each year. "<sup>73</sup> Out of affection for his subjects he must not bring about his ruin by forswearing to collect his revenue from them.<sup>74</sup> Yet the Government was bound to utilise the revenue so

collected in the best interests of the people. "The king, who without protecting his subjects realises from them a sixth part of the produce of their fields, revenues, duties, royalties, goes to hell after death." <sup>75</sup> "As Indra pours showers of rain on the earth for four months in the year, so the king, by showering gifts and riches on his subjects for four months, shall practise the vow of Indra. As the sun-god soaks up water ( from the earth ) with his rays during the eight months in the year, so the king shall extract the revenue from his subjects." <sup>76</sup>

#### IV.

##### 1. Finance in the Buddhist Literature.

References here and there in the Jatakas and the sacred books of the Buddhists enable us to form a rough picture of the financial administration of those days. India had long ago passed from the stage of voluntary contributions making up the revenue of the State, to the stage of compulsory and systematic payments of tax. In one of the Jatakas, we are told that the citizens had gone to the king

with various presents.<sup>77</sup> The word Punnakara from Skt. Parna-akara 'having the form of a leaf' evidently refers to the custom even now prevalent in India of carrying fruits, sweets etc. to the king in the leaves of some tree. Hence the word came to mean a present. But the maintenance of the government depended obviously upon more reliable sources. The taxes were regularly fixed by law and exacted from the people by force if necessary.<sup>78</sup>

It is said of a king; "with taxes and fines, and many mutilations and robberies, he crushed the folk as it were sugarcane in a mill." An official organization existed for the purpose of collecting the revenues. There was the Gamabhojaka or the village superintendent, who enjoyed the revenues of the village. Many instances are recorded of unjust and tyrannical exactions on the part of these king's officers. "Oppressed with taxes, the inhabitants lived in the forest like beasts, with their wives and children. In the day the king's people plundered, at night the thieves."<sup>79</sup> Kingdoms used to be deserted completely as a result of these exactions. Once upon a time in the kingdom of Kampilla, a king called Panchala ruled his kingdom un-

righteously. So all his ministers likewise became unrighteous. His subjects being oppressed by taxation, took their wives and families, and wandered in the forest like wild beasts. Where once stood villages there now were none."<sup>80</sup>

Land revenue formed the pivot of public finance. The tax on produce was levied in kind, measured out either by the village syndic or headman ( Gambhojaka ) or by an official ( a Mahamiatta ) at the barn doors or by a survey of the crops.<sup>81</sup> The amount levied seems to have varied from  $\frac{1}{6}$  to  $\frac{1}{12}$ .<sup>82</sup> The king could dispose of all abandoned, all forest land,<sup>83</sup> he was also master of all property left intestate or " ownerless; " he was entitled to a perquisite from the nation, when an heir was born to him;<sup>84</sup> he could exact forced work ( rajkariya ) from the people. The royal privilege as regards heirless estate often meant considerable revenue to him at a time when families used to migrate to forest and turn ascetics. " Seven days and seven nights the army of the king took to bring the goods of people dying without heirs to the palace. "<sup>85</sup>

There was sometimes remission of taxes.

The Khattiyas and the Brahmins were often wealthy landowners: yet they were normally exempt from taxes. As Hopkins said: "The latter ( the Khattiyyas ) are as a *matter of fact* exempt from the taxes; the priests are so by divine law."<sup>86</sup> Occasional immunity was granted to various people for special considerations. " Now after a time the king's officers came to that village, for taking a survey of the fields. Then the merchant came to the prince and said, my Lord, we support you; will you send a letter to your younger brother, and procure for us remission of taxes? ' To this he agreed and wrote as follows: 'I am living with the family of such a merchant: pray you remit their taxes for my sake.' The king consented. "<sup>87</sup> Officers were often exempt from all liabilities to the throne. The following passage vividly illustrates how taxation at all times is unpopular. " Suppose, O king, a king had four chief ministers. And the king, on some emergency arising, were to issue to them an order touching all the people in his realm, saying, ' Let all now pay up a tax, and do you as my four officers, carry out what is necessary in an emergency. ' Now, tell me, O king, would the tremor which comes from fear

of taxation arise in the heart of these ministers ?  
 ' No, sir, it would not.' ' But why not ?'  
 They have been appointed by the king to high  
 office. Taxation does not affect them, they are  
 beyond taxation.' <sup>ss</sup> It was considered an act of  
 supreme munificence on the part of a king to  
 bestow back as a gift upon the people the  
 payment on their part of a legitimate tax.  
 " Suppose some monarch were to raise from his  
 subjects a righteous tax, and then by the issue  
 of a command were to bestow thereof a gift;  
 would that monarch, O king enjoy happiness on  
 that account; would that be a gift leading to  
 rebirth in states of bliss ? ' Certainly Sir, what  
 can be said against it ? On that account the  
 monarch would receive a hundred thousand  
 fold, he might become a king of kings, - a god  
 above the gods, or Brahma lord of the Brahma  
 gods, - or a chief among the Samanas or the  
 most excellent among the Arhats. " <sup>89</sup>

A story may be cited here to illustrate  
 how the prosperity of a kingdom is essentially  
 connected with a just<sup>d</sup> and equable system of  
 revenue administration. Once upon a time the  
 Bodhisatta was the king's councillor in things  
 temporal and spiritual. The king was set on the



way of the evil courses, ruled his kingdom unrighteously, and collected wealth by oppressing the people. The king one day said to the Bodhisatta : ' Friend, eat this citron.' Then Bodhisatta took it, and said ' O king, people who know how to eat this make it bitter or acid : but wise men who know take away the bitter, and without removing the acid or spoiling the citron's flavour they eat it.' And by this parable he showed to the king the means of collecting wealth, and spoke two stanzas:

The rough-skinned citron bitter is to eat,  
If it remain untouched by carver's steel: Take  
out the pulp, O king, and it is sweet. You spoil  
the sweetness, if you add the peel.

Even so the wise man, without violence,  
gathers king's dues in village and in town. In-  
creases wealth and yet gives no offence he walks  
the way of right and of renown.<sup>90</sup>

## V

### 1. Public finance In Shukraniti. Official Organization: Finance Department.

In the time of Shukracharya, we witness a full-fledged organization of the administration, the work of which was divided into eight or ten

departments, at the head of each of which there was a special officer. Two departments were set apart for the work of revenue administration—one of which was under an officer called the Sumantraka (the minister of finance) and the other under an officer called the Amatya (the minister of revenues or realisations). The Sumantra is he who knows of the incomes and disbursements.<sup>91</sup> The Amatya is known to be the person who has knowledge of land and records.<sup>92</sup>

The preparation of the budget, in modern parlance, is the work of the Sumantra. He has to prepare, the balance-sheet, the schedule of credits and debits of the State. He "should communicate to the king the amount of *contributions* laid by, the amount of *debts* etc, the amount spent, and the amount of *surplus* or balance in both *moveables* and *immoveables* during the course of the year."<sup>93</sup>

The Amatya is the collector of *revenues*. He is in charge of records and is to be fairly well-acquainted with each source of income and amount realised under each head. "How many cities, villages, and forests are there, the amount of land cultivated; who is the receiver of the

ves the remainder after paying off the rent, how much land remains uncultivated, the amount of revenue realised through taxes and fines; the amount realised without cultivation, ( i. e. as nature's gifts ), how much accrues from forests, the amount realised through mines and jewels; how much is collected as unowned or unclaimed by anybody, got back from the thief, and the amount stored up,—knowing these things the Amatya should inform the king."<sup>94</sup> A cadastral survey is a preliminary condition to a land revenue organization; and such a cadastral survey is referred to here, specifying the names of the revenue farmers or middlemen as well as actual cultivators, and containing a list of fields or forests, those under cultivation as well as those not under cultivation. A division of towns and villages also was a feature of all revenue arrangements in those days, in the time of Manu as well as Shukracharya.

**2. The Sources of Revenue.** Bhaga or land revenue was an important item of public finance. Having ascertained the amount of produce from the measured plots of land, whether great, middling, or small the king should desire revenue and then apportion it among them.<sup>95</sup> The rtea

is lowest i. e.  $\frac{1}{8}$  on barren and rocky soils. It rises to  $\frac{1}{4}$  on lands irrigated by rains; to  $\frac{1}{3}$  on lands irrigated by canals, wells, and tanks; to  $\frac{1}{2}$  on lands irrigated by rivers.<sup>97</sup> Yet there ought to remain a fair surplus after deducting the government demand and other expense on fields. The net return ought to be double the expenditure: this is the criterion of agricultural prosperity. This was laid down to protect the peasants from rack-rent, and assure them of an earning, which is at least twice the expenditure.<sup>98</sup> Two methods of collecting land-revenue are suggested. The king may farm out the revenues of a village to one rich man who may pay them either in advance or by monthly or periodical instalment. 68 revenue officers ( Gramapalas ) may be appointed, who may be paid— $\frac{1}{16}$  th,  $\frac{1}{12}$  th,  $\frac{1}{8}$  th, or  $\frac{1}{6}$  th, of the government revenues in the specified areas.<sup>99</sup>

Another big source of revenue is traffic—called shulka or duty, both customs and excise.

from  $\frac{1}{32}$  nd portion to  $\frac{1}{16}$  th i. e. the rates vary from  $6\frac{1}{4}$  to  $3\frac{1}{8}$  per cent.<sup>100</sup>

The royalty on mining was the third source of income. The king should realise from minerals at the following rates:— $\frac{1}{2}$  of gold ( 50 p. c. ) ,  $\frac{1}{3}$  on silver (  $33\frac{1}{3}$  p. c. ) ,  $\frac{1}{4}$  of copper ( 25 p. c. ) ,  $\frac{1}{16}$  of zinc and iron (  $6\frac{1}{4}$  p. c. ) ,  $\frac{1}{2}$  of gems, glass, lead ( 50 p. c. ) : after the expenses have been met.<sup>101</sup>

The fourth source is grass, timber, and forest produce. The king should realise one-seventh, one-tenth, or one-twentieth, from the collectors of grasses and woods.<sup>102</sup>

Cattle-rearing is the fifth item. The rates are  $12\frac{1}{2}$  p. c. of the ' increase ' of goats, sheep, cows, buffaloes, and horses, and  $6\frac{1}{4}$  p. c. of the milk of she-goats, she-buffaloes, and cows.<sup>103</sup>

Compulsory labour for one day in a fortnight was the contribution of the artists and artisans.<sup>104</sup>

The king's demand on the money-lender was  $3\frac{1}{8}$  p. c. of the interest.<sup>105</sup>

Among the other items were a tax on houses and dwellings; a tax on the site for stalls used by shop-keepers, and a road-cess for the preservation and repair of roads.<sup>106</sup>

Earnings from crime and immorality also brought in something for the Government. There were the fines inflicted by the Courts of Justice. The government were entitled to take away all the wealth of the sinners. Other kings who were addicted to unrighteous courses were also legitimate food for the kings.<sup>107</sup>

In normal times the governments were called upon not to increase their demands or to take dues from holy places and properties consecrated to divine purposes. But in times of war special taxes were allowed. War finance required not only increased taxes, but loans and contributions of the rich. It is curious to note how war loans were a familiar expedient in those days. These were to be repaid with interest in future with the return of peace: otherwise the subjects, the State, treasure and the king—all were ruined.<sup>108</sup>

To sum up therefore the springs of national finance : ( a ) the taxes on land, labour, capital, commodities. ( b ) there were the no-tax revenues; the wealth of the sinners and exploitation of less advanced and barbarous kingdoms : tributes from conquered enemies. "The best king is he who, by following the practice of the

weaver of garlands, protects his subjects, makes the enemies tributaries and increases the treasure by their wealth "<sup>109</sup> ( c ) Government may turn itself into a wealth-producing machine. This is called following the practice of the Vaishya i. e. cattle-rearing, farming, banking etc. But this was not well spoken of.<sup>110</sup>

**2 Principles of taxation.** The system of taxation was a very comprehensive one, embracing all classes, all forms of wealth, all types of labour. The ruler was "to enjoy fruits everywhere."<sup>111</sup>

Revenues were to be realised as soon as they were due. There was to be no delay.<sup>112</sup>

The principle of graduated taxation was accepted by Shukracharya. "Subjects whose wealth is little should be maintained and officers whose wealth is moderate; but officers whose wealth is excessive, and those who are richer than the king but of low character are not to be maintained."<sup>113</sup>

Another important point recognised by Shukra is the protection for young industries and new ventures. "If people undertake new industries, or cultivate new lands and dig tanks, canals, wells etc for their good, the king should

not demand anything of them until they realise profit twice the expenditure."<sup>114</sup>

Shukra does not believe in a system of reckless fleecing. The profits of agriculturists as well as of merchants are to be well safeguarded. Taxes are to be "realised in the fashion of the weaver of the garland not of the coal merchant." It is clearly recognised that the system of taxation must not interfere with the springs of productive vigour in a country, for the prosperity of a Government lies in the last resort in the well-being of the people.<sup>115</sup>

**3. Public Expenditure.** Shukra gives us two schedules of public consumption. The unit is the Samanta State i. e. one with an income of 100,000 karshas a year.

1	Gramapas	$\frac{1}{12}$	of the income.
2	Army	$\frac{3}{12}$	"
3	Charity	$\frac{1}{24}$	"
4	People	$\frac{1}{24}$	"
5	Officers	$\frac{1}{24}$	"
6	Personal	$\frac{1}{24}$	"

Six items of expenditure  $\frac{1}{2}$  of the income. The annual deposit of the surplus is to be  $\frac{1}{2}$  of the income.<sup>116</sup>



1. Personal wants, enjoyments, and charities	18,000 karshas per year	
2 6 Clerks	1,200	"
3 3 Councillors	3,600	"
4 Wife and children	3,600	"
5 Men of letters etc.	2,400	"
6 Horse and foot	48,000	"
7 Elephants, camels		
bulls and fire-arms	4,800	"
8 Savings	18,000	

Here  $\frac{1}{6}$ th of the income is recommended for public hoarding.<sup>117</sup>

#### 4. Principles of Public Expenditure.

"The collection of treasure is for the maintenance of the army and the subjects; and for the performance of sacrifices." In this sentence the fundamental items of expenditure are summarised : ( 1 ) the army, the Rashtra i. e. the land and the people and ( 3 ) sacrifices.<sup>118</sup> The civil list is one item of expense, but it should be kept within very moderate bounds. The collection that is made for wife and children as well as for self-enjoyment leads to hell.<sup>119</sup>

The army, however, used to absorb a large part of State income. Military preparedness is

the best insurance against foreign aggression. Money is, therefore, above all, the "sinews of war." "The treasure is the root of the army, and the army is the root of the treasury. It is by maintaining the army that the treasure and the kingdom prosper and the enemy is destroyed."<sup>120</sup> Here is a powerful vindication of military expenditure. "To be weak is miserable," says Milton : and this is more true in the case of nations, than in the case of individuals.

"Without the army there is neither kingdom nor wealth nor powers. Even in the case of a man of no position, everybody becomes his tool if he has strength and becomes his enemy if he be weak. Does not this hold true in the case of rulers ? Strength of the body, strength of valour and prowess, strength of the army, strength of arms, fifth is strength of intelligence, the sixth is strength of life."<sup>121</sup> One who has all these is equivalent to Vishnu. On these grounds the State is asked to invest  $\frac{1}{4}$ th  $\frac{1}{2}$ nd of its total receipt in the maintenance of the army.

Another point deserves special notice. The developmental functions are to absorb a large part of the public money. The State is a culture-

state in Shukracharya : and the cultural interests of the people are definitely provided for in the Budget.

Importance of a large reserve was abundantly recognised. Although Shukra proposes to mobilise national credit in times of war, yet owing to an imperfect development of credit facilities in those days, the State was called upon to lay by every year a large part of its income. " The treasure should be so governed that it may maintain the subjects and the army be maintained for twenty years without fines, land revenues and duties. "122.

**5. Finance-a criterion of national strength.** The States are graded in importance according to the strength of their finance.

Designation of the State.      Annual revenues in  
Karshas.

1. Samanta.	100,000 to	300,000
2. Mandalik	300,000 to	1,000,000
3. Rajan	1,000,000 to	2,000,000
4. Maharaja	2,000,000 to	5,000,000
5. Svaraj.	5,000 000 to	10,000,000
6. Samraj.	10,000,000 to	100,000,000
7. Viraj.	100,000,000 to	500,000 000
8. Sarvabhauma.	500,000,000	and beyond

## VI.

## Public Revenues In Kautilya.

1. The Department of Finance. The finance department was placed under two officers the Collector-General (Samaharta) and the Treasurer-General (Sannidhata). The Collector-General was in charge of the collection of revenues. His work is thus described in detail. "He shall also pay attention to the work in hand, (Karanyia), the work accomplished (Siddham), part of a work in hand (Shesha) receipts, expenditure, and net balance. The business of upkeeping the Government (Samsathanam), the routine work (pracharāha), the collection of necessities of life, the collection and audit of all kinds of revenue, -these constitute the work in hand. That which has been credited to the treasury; that which has been taken by the king, that which has been spent in connection with the capital city not entered (into the register), or continued from year before last, the royal command dictated or orally intimated to be entered (into the register), -all these constitute the work accomplished. Preparation of plans for profitable works, balance of

fines due, demand for arrears of revenue kept in  
 abeyance, and examination of accounts,—these  
 constitute what is called part of a work in  
 hand...Receipts may be—( 1 ) current, ( 2 )  
 last balance and ( 3 ) accidental ( anyajatah  
 ' received from external source ' ). What  
 is received day after day is termed current  
 ( Vartamana ). Whatever has been brought for-  
 ward from year before last, whatever is in the  
 hands of others and whatever has changed hands  
 is termed last balance ( paryushita ). Whatever,  
 has been lost and forgotten ( by others ), fines  
 levied from Government servants, marginal  
 revenue ( parshva ), compensation levied for any  
 damage ( paribhinakam ), presentations to the  
 king, the property of those who have fallen  
 victims to epidemics leaving no sons, and trea-  
 sure-troves,—all these constitute accidental re-  
 ceipts...Expenditure is of two kinds: daily ex-  
 penditure and profitable expenditure. What is  
 continued every day is daily. Whatever is earned  
 once in a paksha, a month, or a year is termed  
 profit. Whatever is spent on these two heads  
 is termed daily expenditure and profitable ex-  
 penditure respectively. That which remains  
 after deducting all the expenditure already in-

current and excluding all revenue to be realised is net balance which may have been either just realised or brought forward. Thus a wise Collector-General shall conduct the work of revenue-collection, increasing the income and decreasing the expenditure."<sup>124</sup> Over and above these functions, the Collector-General was required to supervise the whole revenue-organization.<sup>125</sup>

2. **The Functions of the Treasurer-General.** The Treasurer-General was the custodian of the public treasury. It was his business to supervise the construction of the treasury-house, the trading-house, the store-house of grains, the store-house of forest produce, the armoury and the jail. He had to examine gems, as well as other raw materials of superior or inferior value. He used to receive coins into the treasury, carefully distinguishing between the genuine and the counterfeit ones. The Treasurer-General was also in charge of the grains, merchandise, raw materials, and weapons of the royal store-houses. "He shall have so thorough a knowledge of both internal and external incomes running even for a hundred years that, when questioned, he can point out

without hesitation the exact amount of net balance that remains after expenditure has been met out."<sup>126</sup>

**3. Account Department.** It was necessary to check and control the administration of public revenues: hence a special department of account and audit was organised under one of the chief superintendents. Here all details of revenue collection were placed on record. Among the details of financial affairs to be entered into books the following are mentioned: the number of several departments: the description of the work carried on and of the results realized in several manufactories: the amount of profit, loss, expenditure, delayed earnings; the number of operations, and the amount of wages paid: the values of different kinds of gems and other commodities; the history of customs, professions, and transactions of countries, villages, families and corporations; the gifts made to the king's officers, the titles to possess and enjoy lands; remission of taxes ; payment of provisions and salaries; the presents of gems, lands etc. to the wives and sons of the king, the treaties with other Governments; the payments of tribute from or to friendly or

inimical governments. On the basis of these facts, the superintendent had to submit a general report of the financial position of the State in the month of Ashadha. Each minister received the portion pertaining to his department, and ministers sitting together in a cabinet used to consider the whole report.<sup>127</sup>

4. **The Domesday Survey.** The foundations of Public Finance were securely laid in a huge economic survey of the kingdom. The Collector-General presided over this work. It was his duty to divide the kingdom (janapada) into four districts and to classify the villages into sub-divisions. Villages were subdivided into those of first, middle, and lowest rank. These were again placed under one or other of the following heads : villages that were exempted from taxation (paribaraka) ; those that supplied soldiers (ayudhiya), those that paid their taxes in the form of grains, cattle, gold (hiranya), or raw material (kupyā) ; and those that supplied free labour (vishti), and dairy produce in lieu of taxes (karapratikara).

The village officer was known as the Gopa : he was ultimately responsible to the Collector. It was the duty of the Gopa to assist the



Collector-General in the two operations as well as the land survey. With regard to land survey, it was his duty to set up and fix boundaries to villages, to number and classify plots of ground as cultivated and uncultivated, plain and upland, wet and dry and so forth. He had also to number gardens, vegetable gardens, fences, forests, altars, temples of gods, irrigation works, cremation grounds, feeding houses, places where water is freely supplied to travellers, places of pilgrimage, pasture grounds and roads. He had to fix the boundaries of fields, of forests, and of roads, and to register gifts, sales, charities, and remission of taxes regarding fields. It was his business to number the houses as tax-paying, or non-taxpaying, to register the total number of the inhabitants of all the four castes in each village, to keep an account of the exact number of cultivators, cow-herds, merchants, artisans, labourers, slaves, and biped and quadruped animals, and to fix the amount of gold, free labour, toll, and fines that can be collected from each house; to register the number of young and old men that reside in each house their history (charitra), occupation (Ajiva), income

( Aya ), and expenditure ( vyaya ).

The work of the census in the cities and the metropolis was placed under the charge of an officer called Nagaraka, who had two other officers, Sthanika and Gopa to assist him. Their work was also to ascertain the caste, gotra, name, and occupation of both men and women of the households, and also their income and expenditure. Masters of houses and managers of charitable institutions were to inform the census officer of the travellers and other residents who might have arrived there.

This work of census as well as land survey, enabling the Government to know exactly all the necessary details in connection with the economic capacity of the people was of very great importance, "forming as it did a valuable aid to taxation, and a most reliable index to the material condition of the people."<sup>128</sup>

5. Main sources of revenue. Kautilya has two classifications of the public revenues; (1) according to the sources from which they are derived: (a) forts (durga), (b) country parts (rashtra), (c) mines (khani), (d) buildings and gardens (setu), (e) forests (vana), (f) herds.

The contributions of the forts came under different heads: tolls, fines, weights and measures, gems, currency, passports, excise, slaughter-houses, oils, ghee (clarified butter), salt, goldsmiths, commerce, prostitutes, gambling, building-sites, artisans, gate-dues, religious institution, and taxes from the people known as Bahirikas.

The contributions of the country parts came under the following heads:- Produce from crown lands (sita), portion of produce payable to the Government (bhaga), religious taxes (bali), taxes paid in money (kara), merchants, the superintendent of rivers, ferries, boats, and ships, towns, pasture grounds, road-cess, ropes, and ropes to bind thieves.

Under the head of mining we find gold, silver, diamonds, gems, pearls, corals, conch-shells, metals (loha), salt, and other minerals extracted from plains and mountain slopes.

The dues from buildings and gardens consisted of the following items: those from flower-gardens, fruit-gardens, vegetable-gardens, wet fields, and fields where crops are grown by sowing roots for seeds.

Three varieties of forests are mentioned: game-forests, timber-forests, and elephant-forests.

Eight types of herds of animals are specified : cows, buffaloes, goats, sheep, asses, camels, horses, and mules.

Land and water. Ways are the roads of traffic.

All these form the body of income.<sup>123</sup>

We also notice another classification of revenues in Kautilya; the agricultural produce (sita) : taxes coming under Rashtra (country parts), commerce (krayima), barter grains obtained by special request (pramityaka); manufacture of rice, oils etc, accidental revenue (anyajata); recovery of past arrears.

The agricultural produce from crown-lands is termed sita.

The taxes that are fixed, taxes that are paid in the form of one sixth of produce, provision paid (by the people) for the army, taxes that are paid for religious purposes (bali), tributes or subsidies that are paid by vassal kings and others (kara), taxes that are specially collected on the occasion of the birth of a prince (utsanga), taxes that are collected when there is some margin left for such collection (parshva), compensation levied in the shape of grains for any damage done by cattle to crops, presentation

made to the king and taxes that are levied on lands below tanks, lakes etc. built by the king, - all these come under the head 'rashtra;'

Sale proceeds of grains, grains purchased and the collection of interest in kind or grain debts are termed commerce.

Profitable exchange of grains is termed barter.

Grains collected by special request is termed *pramityaka*: grains borrowed with promise to repay the same is termed *apamityaka*.

Pounding ( rice etc ) dividing (pulses etc), frying ( corns and beans ) manufacture of beverages, manufacture of flour by employing those persons who live upon such works, extracting oil by employing shepherds and oil-makers, and manufacture of sugar from the use of sugarcane are termed *simhanika*.

Whatever is lost and forgotten ( by others ) and the like form accidental revenue.

Collection of arrears is termed *upasthana*<sup>130</sup>.

Such are the main heads of revenue as described by Kautilya. The main sources of public income were indeed agriculture and commerce. It is convenient to adopt the following categories :

I Tax-revenues : ( 1 ) the land revenue (2) taxes on commerce (a) customs duties (b) excise on sales (c) direct property taxes or taxes on trades and professions. II. The no-tax revenues. ( 4 ) fines ( 5 ) profits of manufactures undertaken by the State. (6) miscellaneous collections.

6. Land revenue. Land revenue was undoubtedly the chief source of revenue. The absolute right of the Government extended only over crown lands, the income from which was called *sita*. But it was a no-tax revenue. The Government was also to some extent proprietor of newly settled places or colonies. " Lands, prepared for cultivation shall be given to tax-payers ( *karada* ) only for life. Unprepared lands shall not be taken away from those who are preparing them for cultivation. Lands may be confiscated from those who do not cultivate them: and given to others: or they may be cultivated by village labourers and traders lest those owners who do not properly cultivate them might pay less ( to the Government ). If cultivators pay their taxes easily, they may be favourably supplied with grains, cattle, and treasury."<sup>131</sup> Land was thus granted ( by the Government ), to cultivators for life, on . . .

that they should cultivate it properly and pay the taxes regularly. But when conditions became more stable, the right of ownership gradually passed to the persons in possession of land. The tax-paying persons in possession of land, then ceased to be tenants at will of the Government, and became settled proprietors of land. The right of sale and mortgage which belonged to the owners of land clearly imply this: village lands were to be sold in the presence of forty neighbours, who were also proprietors of land in the vicinity. But there was this limitation in the case of sale of lands, that cultivators could sell their land to cultivators only, and persons enjoying revenue-free land could only sell them to other persons who possessed similar lands.<sup>132</sup> The general law of escheat was the same with regard to houses, fields, gardens, tanks, and temples: they lapsed to the State if they were completely neglected by their proprietors for a continuous period of five years.

The usual rate of land revenue seems to be one sixth of the produce: Kautilya calls it *shadbhaga*.<sup>133</sup> The rates levied on several agricultural products was probably less than that; for only on extraordinary occasions it reached

that proportion.<sup>134</sup> There were other rates for lands which were not properly cultivated by the owners. "Fields that are left unsown (owing to the inadequacy of hands) may be brought under cultivation by employing those who cultivate for half the share in the produce, or those who live by their own physical exertion may cultivate such fields for  $\frac{1}{4}$ th or  $\frac{1}{2}$  th of the produce grown."<sup>135</sup> Different water-rates were charged for lands having different irrigation facilities. "Those who cultivate irrigating by manual labour shall pay  $\frac{1}{2}$ th of the produce as water-rate: by carrying water on shoulders  $\frac{1}{4}$ th of the produce: by water-lifts  $\frac{1}{3}$ rd of the produce; and by raising water from rivers, lakes, tanks, and wells,  $\frac{1}{3}$ rd or  $\frac{1}{4}$  th of the produce."<sup>136</sup>

7. **Taxes on Commerce.** The vast development of trade both internal and external gave the State a splendid source of revenue. It was a general rule that commodities were not to be sold at the place of their growth or manufacture. If minerals were purchased from flower or fruit gardens, a fine of 54 panas was imposed; when vegetables, roots, bulbous roots and any kind of grass or grain were purchased from the gardens or fields, there was a small



fine. <sup>137</sup> All goods were brought to the toll house near the city gate. Here the merchandise were marked with the State stamp called *abhi-gnana-mudra* ( mark of identification ) in *sindura* (vermilion ). The merchants must see that the seal is not counterfeit, or effaced or torn. Commodities were to be sold only after they were precisely weighed, measured or numbered. Severe penalties were prescribed for all attempts to evade these dues.

**Ad valorem** Duties were charged on the export as well as the import of goods. The general rate of import duty on foreign goods was  $\frac{1}{5}$ th of their value i. e. 20 per cent.  $\frac{3}{5}$ th of the value was realised on flowers, fruits, vegetables, roots, bulbous roots, seeds, dried fish, and dried meat. As regards conchshells, diamonds, precious stones, pearls, corals, and necklaces, experts acquainted with the time, cost, and finish of the production of such articles shall fix the amount of toll. The rates on fibrous garments, cotton clothes, silk, mail armour, sulphuret of arsenic ( *haritala* ), red arsenic ( *manashila* ), vermilion ( *hingulaka* ), metals ( *loha* ), and colouring ingredients; sandal, brown sandal ( *agaru* ), pungents

ferments, dress, and the like; wine, ivory, skins, raw materials used in making fibrous or cotton garments, carpets, curtains, and products yielded by worms; wool and other products yielded by goats and sheep; were  $\frac{1}{10}$ th or  $\frac{1}{15}$ th of their value i. e., about 6 to 10 per cent. Cloths, quadrupeds, bipeds, threads, cotton, scents, medicines, wood, bamboo, fibres, skins, and clay-pots, grains, oil, sugar, salt, liquor, cooked rice and the like were charged at four to five per cent.

There were special transit duties: a road cess was collected by the officer in charge of boundaries on cattle as well as loads of merchandise varying from a pana-and-a-quarter to a masha.<sup>138</sup> One fifth of the toll dues was to be given as the gate-dues.<sup>139</sup> On boundaries, ferrymen received the toll (for the use of ferries) carriage-cess, and roadcess.<sup>140</sup> Ships that touched at harbours on the way were asked to pay the toll-dues.<sup>141</sup>

Discrimination was shown in shutting out harmful or useless commodities: while goods which were of special use were admitted duty free. Commodities intended for marriages, for presentation, for sacrifices, for confinement

of women, for worship of God, and for other ceremonials were let off free of toll. Private importation of such articles as weapons, mail armour, metals, chariots, precious stones, grains and cattle, was forbidden: when they were brought in for sale to the king they were admitted free of duty.<sup>142</sup>

8. **Taxes on trades and professions.** Private manufacturers of liquors were required to pay license fees.<sup>143</sup> Of beasts of prey that have been captured,  $\frac{1}{5}$ th were taken by the Superintendent;  $\frac{1}{10}$ th of fish and birds similarly captured; and  $\frac{1}{10}$ th also of deer and other beasts were also given over to the Government.<sup>144</sup> Certain professions were regulated in the interests of public morality. Actors, dancers, singers, players on musical instruments, buffoons, mimic players, rope-dancers, jugglers, wandering heralds, pimps, and unchaste women were required to inform the Superintendent concerned, of their present and prospective incomes, and they had to pay 5 panas as license fee to the Government.<sup>145</sup> A prostitute was required to pay two days' earnings every month to the Government. In the same way the Government took five per cent of the stakes won by every winner.<sup>146</sup>

**Fines.** The subjects had to pay to the Government special sums of money as penalties for violation of the State laws. Thus if there was a difference in the price as stated by the merchant and as realised by him, that difference would go to the king. If there was a rise in price owing to competition, the extra money realised would also be appropriated by the State. There foreigners who entered the kingdom without a passport had to pay a fine of 3,000 panas. A similar fine was imposed on those who tried to smuggle foreign goods. There were special fines for those who violated sanitary laws, those who forded rivers at times and places, not sanctioned by the Government, and so on.

**Profits** from the use of the State ships and ferries was quite substantial. Fleets of ships and ferries were maintained by the State and lent for the use of passengers and goods. State boats were let out on hire for purpose of pearl fishery and the fishing of conch-shells. The ferry-charges were regulated according to the size of rivers, and the amount of freight carried.<sup>147</sup>

minerals as are made use of in preparing vessels as well as those mines which required large outlay to work out were leased out for a fixed number of the shares of the output or for a fixed rent. Such mines as could be worked out without much outlay were directly exploited by Government agency.<sup>148</sup>

Salt industry was an important Government monopoly. " Soon after crystallisation of salt is over, the Superintendent of salt shall in time collect both the money rent, and the quantity of the shares of salt due to the Government; and by the sale of salt he shall realise not only its value, but also the premium of 5 per cent both in cash." There was a duty of 16½ per cent on the imported salt, plus the 5 per cent on the remainder as excise.<sup>149</sup>

The fundamental demand of the State was a well-filled treasury. " All undertakings depend upon finance. Hence foremost attention shall be paid to the treasury. " A clear analysis is here given of the causes of successful finance and of the causes of the depletion of treasury. Public prosperity, rewards for good conduct, capture of thieves, dispensing with ( the service of too many ) government servants, abundance

of harvest, prosperity of commerce, absence of troubles and calamities, diminution or remission of taxes, and income in gold are the conditions of financial prosperity. Obstruction, loan, trading, fabrication of accounts, causing the loss of revenue, self-enjoyment, barter and defalcation are the causes that tend to deplete the treasury.

" Failure to start an undertaking or to realise or to credit it ( to the treasury ) is known as obstruction...Lending the money of the treasury on periodical interest is a loan. Carrying on trade by making use of government money is trading...Whoever lessens a fixed amount of income or enhances the expenditure is guilty of causing the loss of revenue...Whoever enjoys himself or causes others to enjoy whatever belongs to the king is guilty of self-enjoyment. The act of exchanging government articles for ( similar ) articles of others is barter. Whoever does not take into the treasury the fixed amount of revenue collected, does not spend what is ordered to be spent, or misrepresented the net revenue collected is guilty of defalcation of govern-

maudlin sentimentalism. "The king shall bestow on cultivators only such favour and remission as will tend to swell the treasury, and avoid such as will deplete it. A king with depleted treasury will eat into the vitality of both citizens and country people. Either on the occasion of opening new settlements or on any other emergent occasions, remission of taxes shall be made."<sup>151</sup> Writs of remission were issued granting concessions to special castes, cities, villages, or countries of various descriptions.<sup>152</sup> Some villages were exempted from taxation : some used to substitute other types of services, such as supplying soldiers, free labour, dairy produce, raw materials in lieu of taxes. A special record was kept of these.<sup>153</sup> Such remissions were meant either as rewards for special services, or as measures of relief in times of distress or as measures of special protection to certain types of works. "In the case of construction of new works such as tanks, lakes etc. taxes ( on the lands below such tanks ) shall be remitted for five years. For repairing neglected or ruined works of similar nature, taxes shall be remitted for four years. For improving or extending

water-works, taxes shall be remitted for three years. In the case of purchase, taxes on the lands below such works shall be remitted for two years. If uncultivated tracts are acquired ( for cultivation ) by mortgage, purchase, or in any other way, remission of taxes shall be for two years."<sup>154</sup>

The same principles guided the attitude of Kautilya towards exemptions. It is stated that even the hermits pay *one-sixth* of the grains gleaned by them.<sup>155</sup> This would imply that there were no privileged classes in Kautilya's scheme. Yet the usual homage paid to the Brahmin class by ancient Hindu law-givers was paid to them by him too. Those who perform sacrifices, spiritual guides, priests, and those learned in the Vedas shall be granted Brahmadaya lands yielding sufficient produce and exempted from taxes and fines.<sup>156</sup> Such lands however can be alienated only in favour of similar Brahmins.<sup>157</sup>

Taxation was the price assigned to the king for the measure of protection he affords. The obligation is reciprocal. The old contract theory



from anarchy as illustrated by the proverbial tendency of a large fish swallowing a small one, first elected Manu, the Vaivasvata to be their king; and allotted one-sixth of the grains grown and one-tenth of merchandise as sovereign dues. Fed by this payment, kings took upon themselves the responsibility of maintaining the safety and security of their subjects, and of being answerable for the sins of their subjects when the principle of levying just punishments and taxes has been violated. Hence hermits, too, provide the king with one-sixth of the grains gleaned by them, thinking that 'It is a tax payable to him who protects us.' "153

9. **War-finance.** It was one of the fundamental features of Hindu polity to recognise the relativity of all economic concepts. There cannot therefore be one law, and one measure for normal and abnormal times: and considerable latitude was allowed to Governments in times of distress. In such times, the duty of self-preservation which otherwise lies in the background suddenly emerges into special prominence. All classes were called upon to pay special dues, in order to meet the crisis.

The land revenue was suddenly raised from

$\frac{1}{8}$ th to  $\frac{1}{3}$ rd or  $\frac{1}{4}$ th of the produce in case of very fertile lands. Special crops were raised. The Government demand was one-fourth of the grains and one-sixth of forest produce from ordinary cultivators. The same rate was demanded for such commodities as cotton, wax, fabrics, barks of trees, hemp, wool, silk, medicines, sandal, flowers, fruits, vegetables, firewood, bamboos, flesh and dried flesh. A half of ivory and skins of animals, was taken.

Mercantile classes were similarly called upon to give their additional quota. " Merchants dealing in gold, silver, diamonds, precious stones, pearls, coral, horses and elephants shall pay 50 Karas. Those that trade in cotton threads, clothes, copper, brass, bronze, sandal, medicines, and liquor, shall pay 40 Karas. Those that trade in grains, liquids, metals, and with carts shall pay 30 Karas. Those that carry on their trade in glass; and also artisans of fine workmanship shall pay twenty Karas. Articles of inferior workmanship as well as those who keep prostitutes, shall pay 10 Karas. Those that trade in firewood, bamboos, stones, earthen-pots, cooked rice, and vegetables shall pay 5 Karas. Dramatists and prostitutes shall pay half of

their wages. The entire property of goldsmiths shall be taken possession of; and no offence of theirs shall be forgiven; for they carry on their fraudulent trade, while pretending at the same time to be honest and innocent. "

Persons rearing cocks and pigs were called upon to surrender half of their stock of animals; those that kept cows, buffaloes etc, were asked to give one-tenth of their live stock: .

One most interesting thing is the resort to war-loans and other expedients which look so very modern. " When such demands are not made the Collector-General shall seek subscriptions from citizens and country people alike under false pretences of carrying this or that kind of business. Persons taken in concert shall publicly pay handsome donations and with this example, the king may demand of others among his subjects. Spies posing as citizens shall revile those who pay less. Wealthy persons may be requested to give as much of their gold as they can. Those who, of their own accord or with the intention of doing good, offer their wealth to the king shall be honoured with a rank in the Court, an umbrella, a turban or some ornaments in return for their gold. "

The institution of titles and honours and medals is the last but not the least of the highly ingenious and essentially modern devices of a government in quest of money.

Yet even in these hard times certain classes were not to be touched; people who are helpful in the construction of tanks, fortifications, gardens, buildings, roads of traffic, colonisation of waste lands, exploitation of mines, and formation of forest preserves for timber and elephants; persons who have not enough subsistence; the forest tribes and the learned Brahmins. The property of the latter can be purchased if necessary by offering a favourable price to them.<sup>159</sup>

10. **Expenditure.** Details are lacking as to the precise ways in which a Government used to spend money. But the scope of the governmental activity was very wide and embraced not only the army and the civil service, but the organization of mining, agricultural, industrial, naval departments, the construction of roads, bridges, cities, forts, and the colonization of new lands. Nearly one fourth of the total receipts was absorbed by the civil list.<sup>160</sup> One other great item must be the army. "The chanting of auspicious hymns during the"

ship of gods and ancestors and on the occasion of giving gifts, the harem, the kitchen, the establishment of messengers, the store-house, the ware-house, the store-house of raw materials, manufacturers, free labourers, maintenance of infantry, cavalry, chariots, and elephants, herds of cows, the museum of beasts, deer, birds, and snakes, and storage of firewood and fodder constitute the expenditure. "161

### Conclusion.

Such are the the leading details of the ancient Hindu system of public finance. It is too often said that the oriental empires were mostly tax-collecting agencies above every thing else. But this is not at least the Hindu conception of the essential functions of a government. "Grievances before supply"-such is the Hindu idea. Give us justice, give us protection, give us good administration, and we give you obedience and money-such is the attitude of the people in Hindu theory. There is the old time-honoured contract between the people and the king, the terms of which must be fully observed by both parties in order to make the work of government a living, effective reality

rooted in the hearts of people. Kingship is essentially a public office: and the repository of ultimate power are the people, who have the power of the purse. As Benoy Kumar Sarkar puts it: from the standpoint of sovereign, the revenues are but the wages of his labour, and from the standpoint of the people they are the price offered for the service of protection. The right to levy the tax is conditional: it is dependent on the duty of protecting the people. Taxation is the cash nexus between the two parties, the material basis of the contract. Public welfare therefore is the one end of the State: it justifies the existence of taxation and prescribes carefully the limits within which it must be confined.